Austria	Sch. 18	Indonesia	Rp 2500	Portugal	Esc 75
Bahrain	Din 0.650	Italy	L 1100	S. Arabia	Rls 6.00
Belgium	BFr 38	Japan	Y550	Singapore	S$ 4.10
Canada	C$2.00	Jordan	Fils 500	Spain	Pts 100
Cyprus	Mils 600	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	DKr 7.25	Lebanon	£L 6.00	Sweden	Skr 6.50
Egypt	E£1.00	Luxembourg	LFr 38	Switzerland	SFr 2.00
Finland	Fmk 5.50	Malaysia	Ringgit 4.25	Taiwan	NT $65
France	Fr 6.00	Mexico	Pes 300	Tunisia	Din 0.800
Germany	DM 2.20	Morocco	Dh 6.90	Turkey	L 180
Greece	Dr 60	Netherlands	Fl 2.50	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Kr 8.00	U.S.A.	$1.50
India	Rup 15	Philippines	Pes 20		

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Continental Illinois: the questions are just beginning, Page 10

NEWS SUMMARY

GENERAL

US 'wants nuclear talks in Vienna'

The U.S. will discuss space weapons with the Soviet Union in Vienna but will not go "kow-towing or capitulating to Soviet demands or preconditions," said U.S. Defence Secretary Caspar Weinberger.

One day after the Reagan Administration sent Moscow a diplomatic note agreeing to discuss space weapons, Mr Weinberger reiterated his desire to bring nuclear weapons into the talks.

His remarks on U.S. television were the latest in a month-long exchange of charges since the Soviets invited the U.S. to discuss space weapons only. The U.S. desire to discuss other weapons too appears to be diminishing prospects for the talks. Page 2

U.S. draft warning

The U.S. may be forced to restore military conscription by the 1990s if it implements plans to increase the size of the armed forces and develop complex new weapons systems, a study predicted.

Hyderabad stabbings

Four people were stabbed to death in Hyderabad, southern India. In Punjab police arrested more than 400 during a political demonstration. Chief Minister of the southern state of Karnataka, Ramakrishna Hegde, said Indian Premier Indira Gandhi was trying to topple his government. Page 2

Meeting urged

Marian Jurczyk, a senior Solidarity official who has been included in a Polish amnesty for political prisoners, has urged a meeting of leaders of the banned union released from jail.

Eta suspect dies

Tomas Perez, 48, a suspected leader of Spanish Basque movement Eta, died in hospital in Bordeaux, France, from burns sustained in a bomb attack on Basque refugees. In Bilbao, northern Spain, a French-registered car was set on fire and an incendiary device under another French car was defused.

Chancellor returns

West German Chancellor Helmut Kohl was forced to interrupt his summer holiday in Austria to try to unite his divided coalition in the emergency session of parliament to debate government plans for a power station to operate without sulphur dioxide pollution filters.

Resistance hero dies

French resistance hero, Colonel Remy (Gilbert Renault), who founded an underground intelligence network in German-occupied France in the Second World War, died aged 79 in Brittany.

Doe to stand

Liberian military leader Samuel Doe said he would stand in the country's presidential election planned for October 1985.

Saudi gift

Saudi Arabia is to give Lebanon more than $450m towards the cost of rebuilding after nine years of intermittent war.

Tourists evacuated

About 600 foreign tourists were evacuated from the Italian-chartered, Panamanian-registered cruise liner Columbus C which scraped its hull on a breakwater at Cadiz in strong winds and sprang a leak.

Cosmonauts return

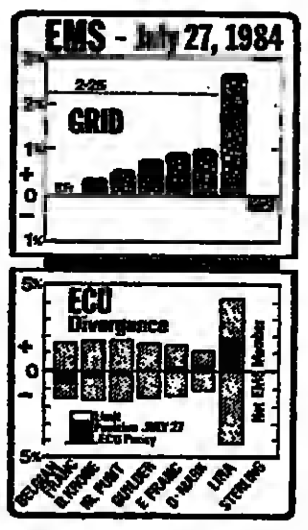
Three Soviet cosmonauts, including the first woman to walk in space, returned to earth after a 12-day mission aboard Salyut 7.

BUSINESS

German inflation falls to 2.2%

WEST GERMAN inflation fell to 2.2 per cent in July, its lowest level for 15 years, according to provisional figures based on returns from four federal states. Page 2

CURRENCIES showed little overall change within the European Monetary System last week. The Belgian franc remained the weakest member but traded comfortably within its divergence limit. So much so that the Belgian central bank was able to buy foreign currencies for the first time this year, using the funds to reduce its short-term debt with the European Monetary Co-operation Fund. The D-Mark was a little weaker against other member currencies and against the dollar. The Italian lira traded quietly for most of the week and retained its position at the top of the EMS.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

FRANCE'S automobile industry needs to shed 70,000 jobs, a third of its workforce, over the next few years according to an independent commission. Page 12

NESTLÉ, the Swiss food group, has dropped its $513m bid for Cooper Vision, a California-based eye-care products group, after opposition from U.S. Federal Trade Commission. Page 12

LTV steel and aerospace group of the U.S. cut second-quarter losses to $22.7m or 50 cents a share, against last year's second-quarter deficit of $61.3m or $1.20 a share, but warned of a surge in tubular products imports. Page 14

SAIPEM, Italian oil and gas concern which is being partly privatised, boosted first-half revenues 6.2 per cent to L651bn but did not disclose profit figures. Page 14

BRAZIL may be offered a cofinancing scheme for its 1985 needs which would fix in advance the amount of annual debt service, under a plan being considered by the World Bank. Page 13

U.S. BANKS cut back on their international business in the first quarter, sharply reducing borrowing abroad, BIS figures show. Page 12

SPANISH car exports are expected to rise sharply in the next two years, fuelling the dispute with Britain over an imbalance in the trade of cars and components. Page 3

TEXTILE producing Third World countries plan a campaign against import curbs in Western countries. Page 3

Hollywood goes for gold at Olympic opening ceremony

BY MICHAEL THOMPSON-NOEL IN LOS ANGELES

GERSHWIN brought the house down, but Romania stole the show. President Reagan got his lines right, and Hollywood jived and jitterbugged.

Such was the scene in the Los Angeles Coliseum at the weekend as the 23rd summer games of the modern Olympics opened on a wing, a prayer, and a note of magnificent outrageousness.

With 90 per cent of the world's recorded entertainment still produced in Hollywood (says Hollywood), the opening ceremony was never going to be dull.

Hollywood pulled out all the stops, and then some more. Confronted by 92,655 paying customers in the Coliseum – plus a global television audience estimated at anything above 2bn – Hollywood panned for gold.

The result: music by Gershwin, lyrics by Sondheim, direction by Spielberg, production by Walt Disney – triumph by exhaustion.

Only as an afterthought, it seemed, did Tinseltown remember to add the march of the athletes, the entrance of the Olympic flag, and the lighting of the Olympic flame.

It was as well that it did. As the athletes entered – a record 7,800 from 140 countries, despite the Soviet-led boycott – sentiment conquered schmalz.

The greatest roar was for the 127-strong team from Romania, led by pistol shooter Corneliu Ion. Romania is the only Soviet bloc country to have courted Moscow's wrath by defying the boycott – staged as a reprisal for the U.S.-led boycott of the 1980 Moscow Olympics – and setting foot in California.

Other roars of greeting welcomed the teams from the People's Republic of China, which has sent 213 competitors and is making its first appearance at the summer Games since 1952; Yugoslavia, which has sent 155; and Taiwan, whose 61 athletes marched in behind an Olympic – not a national – flag.

Away from the Coliseum, dark questions remain. After two decades of mayhem and discord, the Olympics are at their lowest ebb. The youth of the world is as keen as ever on innocent ritual and athletic celebration, but the mood of the century has turned against the games.

Mr Peter Ueberroth, president of the Los Angeles Olympic Organising Committee, which is stage-managing the first-ever private enterprise Games on a shoestring budget of $500m, insists that these will not be the last Games – that they are in all senses "pivotal."

Yet no one is banking on it, least of all Hollywood, which with limitless enthusiasm and the tiniest scrap of art, played the opening ceremony like its own final curtain.

The master of ceremonies was Mr David Wolper, producer of Roots, inventor of the television mini-series, begetter of four of the top 10 most watched TV programmes of all time, and maker of Willie Wonka and the Chocolate Factory – in short, the complete Hollywood Renaissance man.

His goal, he said, was "a show that would be majestic, inspirational, emotional – a 20-goose-bump experience."

That was precisely what he got. He used a 12,000-strong cast, 15,000 costumes, 200,000 props, 1,065 balloons, a 27,000-bulb video board, 84 baby-blue grand pianos in tiers of six, a choir of 1,000, a full-blown orchestra, 270 tambourinists and trumpeters, a 750-strong marching band and 270 jitterbuggers.

"There is nothing as big as this, except maybe D-Day," said Mr Wolper. He may have been right.

He gave us Americana Medley, Hoedown, Waiting for the Robert E. Lee, Basin St. Blues, Rhapsody in Blue, I Got Rhythm, In the Mood, One O'Clock Jump, Fame, and Beat it. Then he plunged into A Chorus Line and America the Beautiful.

Later, composer John Williams conducted the specially composed Los Angeles Olympic Theme. It was at this point that one might confidently expect an appearance – or a phone call – from the Extra Terresnal. But ET stayed home.

Greece led the march of athletes. Small teams were politely welcomed – two from Andorra and Tonga, one from Bangladesh – while favourites were roared around the track: Australia (in decorous frame of mind), Canada, Brazil, Britain, Italy, Israel, Japan.

Last of all, marching like a superpower, came the 589-strong team of the U.S., so awesome that it almost lapped itself. It made a marvellous sight – the docking of the mother ship – though the absence of the Soviet Union and most of her allies dramatised the lopsided nature of these games.

Continued on Page 12

Lagos to seek trade debt refinancing without IMF accord

BY MICHAEL HOLMAN IN LONDON

THE NIGERIAN Government is set to propose terms today to the leading Western export credit agencies aimed at refinancing its massive arrears on trade payments. This is despite its failure to reach agreement with the International Monetary Fund (IMF) on a programme to overcome the country's economic crisis.

The unexpected move covers the proposed refinancing of about $2bn in arrears to suppliers insured by the agencies in Britain, France, Italy, Japan, West Germany and the U.S.

Led by Britain's Export Credit Guarantee Department (ECGD), which has an exposure of between £600m ($788m) and £800m, the agencies have previously insisted that an IMF deal be a precondition to any rescheduling of insured arrears.

Official close to the IMF talks are increasingly doubtful that an agreement with the fund on its proposed three-year, $3bn programme is possible this year.

Earlier this month, after nearly 18 months of negotiations, the IMF told Nigeria that its refusal to devalue the naira outright and reduce the government subsidy on local petrol prices were among factors holding up an agreement.

Nigeria's central bank is nevertheless due to publish its trade arrears proposals today. In April the Nigerians reached agreement with uninsured creditors for rescheduling about $3bn in arrears.

The export credit agencies, who have been advised in advance of the move, have until the end of September to decide whether to accept.

The refinancing terms are not unexpected. They are identical to the agreement with uninsured creditors, who accepted six-year promissory notes, carrying a grace period of 2½ years and an interest rate of 1 per cent over the London Interbank Offered Rate (Libor).

In London the ECGD said last night that it was "aware that a formal rescheduling proposal was on the cards. We will now look at the terms and discuss our response with the Treasury."

The outcome of today's offer could have far-reaching political implications for Britain, the former colonial power and leading trading partner.

Relations with Lagos were severely strained earlier this month by the abortive kidnapping of Alhaji Umaru Dikko, a former minister in the civilian administration of former President Shehu Shagari, ousted by the military last January.

The suspected involvement of the Nigerian High Commission in London led to the recall of the respective High Commissioners.

A decision by Britain to accept the rescheduling terms would almost certainly be followed by the other agencies, and ease the tensions that exist between London and Lagos.

Rejection, however, would be a serious blow for Nigeria's military Government, whose security in office may depend on its capacity to revive the economy.

The economic crisis will be only slightly relieved by the small and temporary increase in Nigeria's oil production quota from August, agreed at the Organisation of Petroleum Exporting Countries' meeting in Vienna this month.

A drop in the price of oil – which accounts for more than 95 per cent of the country's export earnings – as well as an expensive development programme, corruption and mismanagement have led to the build-up of huge arrears in trade payments over the past three years.

Oil exports, which peaked at $22.5bn in 1980, fell to $10.5bn last year. The current account deficit for the past three years has averaged over $5bn annually, and foreign exchange reserves are all but exhausted.

Britain may offer HK concessions

BY MARK BAKER IN PEKING

BRITAIN is understood to be drafting compromise proposals in an attempt to overcome the remaining problems in the negotiations with China over the future of Hong Kong.

Sir Geoffrey Howe, the British Foreign Secretary, spoke last night of substantial progress being made after a day of intensive meetings here.

It appears that Britain will make concessions towards China's request that a joint liaison office be formed to monitor developments in the colony up to the date for the transfer of power in 1997.

The concessions, which, British officials insist, would not compromise Britain's right to continue governing the colony, may well be a "trade-off" for more detailed undertakings by China in the final agreement on Hong Kong.

Sir Geoffrey spent yesterday morning discussions with Wu Xueqian, the Chinese Foreign Minister, bringing to more than eight hours the time they have spent together since Sir Geoffrey's arrival on Friday.

Then, in an unexpected development, meetings were hastily called of the main negotiating team on Hong Kong and of the joint working group, which has been meeting in tandem with the main team almost constantly for the past month.

The main team, headed by Sir Richard Evans, the British ambassador, and Zhou Nan, the Chinese assistant Foreign Minister, met for about 2½ hours in the afternoon.

The working group, believed to be responsible for the technical drafting of the final agreement, met for about half an hour. Dr David Wilson, the leader of the British side in the working group, then reported to Sir Geoffrey, British officials said.

This flurry of activity fuelled the belief that Sir Geoffrey has been preparing detailed proposals to put to more senior Chinese officials in the remaining two days of his visit to Peking.

He is scheduled to meet Zhao Ziyang, the Chinese premier, at 10am today. It is expected that he will also meet Deng Xiaoping, the most senior Chinese official.

There have been a series of indications that Britain is moving towards accepting Chinese wishes on the formation of a joint liaison office.

Margaret van Hattem in London adds: Mrs Margaret Thatcher, the British Prime Minister, is understood to have written to Deng Xiaoping in an attempt to smooth the talks. Downing Street yesterday refused to confirm or deny reports that the letter was sent to coincide with the present visit to Peking of Sir Geoffrey Howe.

Continental Illinois chiefs set sights on long-term

By William Hall in New York

THE NEW team at the head of Continental Illinois Bank does "not want to stick a thermometer in the patient's mouth and say 'I want to read your temperature every hour'," says Mr Bill Ogden, the former Chase Manhattan banker who shares with Mr John Swearingen, the former chief of Standard Oil Company of Indiana, the unenviable task of breathing life back into the Chicago-based bank after last week's $4.5bn rescue.

"The plan is out in the open and the great uncertainty no longer exists. The real question now is not what is going to happen today, tomorrow and the next day, but the longer-range future for Continental Illinois," says the 57-year-old chain-smoking Mr Ogden.

Mr Swearingen says: "I have told these folks I would be willing to stay for three years. I do not intend to make another career out of this, but at the same time I made it perfectly clear to the people in Washington that I am not going to take on the role of an undertaker."

He stresses that he expects to return Continental to its former status as a "viable, highly competitive and well-respected bank."

Their most immediate task is to prove to the world that the $30bn Continental, which on the eve of last week's bail-out was drawing close to $12bn of its deposits from the support group, can quickly resume funding itself without outside assistance.

Mr Ogden observes: "I do not think you can expect a bank which has been through the kind of crisis Continental has gone through to be able to stop paying a premium for funds overnight. That is going to take time."

However, Continental has begun to issue certificates of deposit again and the new managers are confident that over time the premium they are being forced to pay for deposits will evaporate.

While the world's money markets will be monitoring Continental's success in funding itself Mr Swearingen and Mr Ogden face an equally daunting task convincing Continental's demoralised staff that they have a rewarding future if they stick with the bank and proving to customers that they can still be competitive with arch-rival First Chicago, run by Mr Ogden's former Chase colleague, Mr Barry Sullivan.

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The questions are just beginning, Page 10

Big German demand for Jaguar shares

BY ALISON HOGAN IN LONDON

AN UNPRECEDENTED demand from West German investors for shares in Jaguar, the luxury car subsidiary of BL, Britain's state-owned manufacturer, will be discussed in London tomorrow by bank officials from both countries.

Hill Samuel, the UK merchant bankers handling the £297m ($389m) flotation of the offshoot are due to meet officials from Deutsche Bank.

Several German banks have asked for copies of the Jaguar prospectus. Those with UK operations are expected to submit nominee applications on behalf of German clients through their London branch offices.

Tomorrow's meeting will clarify the procedure the German banks will use to allow German investors to participate in the UK primary market.

German banks are also understood to have participated in the sub-underwriting of the issue of 177.88m shares at 165p per share.

German investors, who have had a famine of new domestic issues for several years, rushed to buy shares in Porsche, the sports car maker, when a limited number of non-voting preference shares amounting to one third of Porsche's capital was offered to the West German public in April.

Porsche shares have risen about 25 per cent over their opening price of DM 780 ($273.7). The success of the Porsche flotation, coinciding with an advertising and marketing campaign by Jaguar in West Germany, is thought to have fuelled investor interest in the Jaguar flotation.

The three consortium banks involved in the Porsche issue limited the placement of shares to no more than 100 shares for individual investors and 1,000 for institutions.

Jaguar's advisers will decide on the final allocation of shares in Jaguar when the offer closes on August 3, depending on the level of subscription.

Renault job cuts, Page 12

AT&T to build plant in Spain

By Tom Burns in Madrid

AMERICAN Telephone and Telegraph (AT&T) will sign a protocol agreement today with the Spanish Industry Ministry and Compania Telefonica Nacional de Espana (CTNE), the semi-private telecommunications authority, to set up a $300m semiconductor manufacturing base in Spain.

Officials are presenting the agreement as the perfect marriage of convenience, in which AT&T's strategy to establish itself in Europe and build up a European market dovetails with the Industry Ministry's national electronics plan. It provides for $330m to be spent over the next three years to support high-technology production for export to Spain.

AT&T's joint venture with CTNE is by far the most important multinational investment in Spain since the Socialist Government of Sr Felipe Gonzalez took office in late 1982.

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CONTENTS

Egypt 'will talk to any Israeli leader'

BY TONY WALKER IN CAIRO

EGYPT'S LEADERS are prepared to deal with any new Israeli Government, whatever its political complexion, despite disappointment at the inconclusive election result.

President Hosni Mubarak, in his first public comment on the Israeli poll, said at the weekend that he would talk with any administration "elected by the Israeli people, whether it is Likud, Labour, or any other party."

Egyptian officials made no secret in private of their hope that Labour would gain a clear majority in the Knesset but now recognise that a new Israeli Government, even one of national unity, is unlikely to have much scope for adventurous foreign policymaking.

Since the death of President Anwar Sadat in October 1981 and the final withdrawal of Israeli forces from the Sinai in April 1982, the Middle East peace process has been virtually stalled, and relations between Israel and Egypt have deteriorated.

Cairo recalled its ambassador to Tel Aviv after the massacres in the Sabra and Chatila refugee camps in Beirut, in the wake of the Israeli invasion of Lebanon in 1982, and has said he will not return until Israel withdraws its forces.

Egypt sees little prospect of a fresh initiative on the Middle East peace until next year.

President Mubarak said he hoped that "a new strong push for peace in the region" would follow the U.S. presidential election.

Egypt hopes a revived peace process will involve the active participation of King Hussein of Jordan and Palestinian representatives.

U.S. 'will not kow-tow' in space talks

By Nancy Dunne in Washington

THE U.S. will go to Vienna to discuss space weapons, but it will not go "kow-towing or capitulating to Soviet demands or preconditions" Mr Caspar Weinberger, the U.S. Defence Secretary, said yesterday.

A day after the Reagan Administration sent Moscow a diplomatic note explicitly agreeing to discuss space weapons, Mr Weinberger reiterated his desire to bring nuclear weapons into the talks.

He said: "We will talk about all the things they want to talk about but we will insist also on talking about the things we want to talk about, including a reduction of nuclear missiles."

His remarks were the latest in a month-long exchange of charges since the Soviets invited the U.S. to the table to discuss space weapons only. In its note to Moscow, the State Department avoided mentioning its desire to expand the proposed negotiations.

A State Department official said: "We do not believe that the Vienna talks are impossible if the Soviets are seriously interested in negotiation."

However, prospects for talks seem to be diminishing, as U.S. officials continued to say they will bring other weapons into the discussions.

Senator George McGovern, former U.S. Presidential candidate, said yesterday he had had a long talk with Mr Andrei Gromyko, Soviet Foreign Minister, whom he met in Yalta, in the Crimea, on Friday. He said he got the impression that Mr Gromyko saw little chance for an upturn in relations with Washington. McGovern said Gromyko seemed convinced there would be no talks on space weapons. Senator McGovern is in the Soviet Union for a joint forum sponsored by Washington's Institute of Policy Studies and the Moscow Institute for Studies of the U.S. and Canada.

The Soviet news agency, Tass attacked the U.S. on Saturday, accusing Washington of "demagogery and substitution of one subject for another" in its response to the Soviet proposals.

Mr Weinberger, speaking on an American television news interview programme on Sunday, said he found the Soviet attitude "puzzling." He said Moscow may have suggested the talks and then backed away for political reasons during this U.S. election year.

W. German inflation rate 'at 2.2%'

BY RUPERT CORNWELL IN BONN

WEST GERMANY'S inflation rate has dropped to its lowest level for about 15 years, according to provisional figures for July from the Federal Statistics Office.

Returns from four West German provinces indicate that retail prices fell so far in July by 0.1 per cent. This would bring the annual inflation rate down to 2.2 per cent, compared with about 2.5 to 3 per cent, at which it was running earlier this year.

If these figures were confirmed, they would be a welcome fillip for the centre-right federal government coalition, which has been forecasting a 3 per cent rise in prices for 1984—about the same as in 1983.

It seems now that the rise of the dollar against the D-Mark has expressed itself in the form of higher import prices. Depressed demand as a result of the protracted engineering strike this year may have helped to dampen inflation further.

The prospects for the rest of 1984 look good. Pay increases in the recent batch of agreements have rarely been higher than 3.3 per cent. Also, the shorter working week in the metal industry will not come into effect until next spring.

Reuter adds: Chancellor Helmut Kohl said he expects real GNP growth in 1984 of 2.5 per cent, despite recent strikes by the West German metalworkers' union.

He said there was no doubt that the strikes had damaged the country economically, but he was sticking to the cautious forecast made by the government at the beginning of the year, noting that the danger of strikes was apparent when that was made.

Some forecasters said before the strikes that 3.5 per cent growth was possible this year, but many estimates have been revised down to 2.5 per cent. Growth last year was 1.3 per cent.

Moscow keeps up tirade against Bonn

BY LESLIE COLITT IN BERLIN

THE SOVIET Union continued its vehement attack on West Germany over the weekend and by implication criticised Herr Erich Honecker, the East German leader, who plans to visit West Germany in September.

Tass, the Soviet news agency, on Saturday called Herr Franz Josef Strauss, Bavaria's Prime Minister, who was instrumental in obtaining a DM 1bn government-backed loan for East Germany last year, a Bavarian cold warrior who sympathised with South African racists. Herr Strauss also played a key role in arranging a DM 950m (£250m) loan to East Berlin announced last week.

President Honecker was set to meet Herr Strauss in Munich this autumn. The two men had conferred in East Germany earlier this year and last. Tass said Herr Strauss had built his career by supporting reactionary regimes.

East European diplomats in East Berlin said this was a way of expressing Soviet disapproval of Herr Honecker's frequent contacts with West German politicians of all parties.

East German newspapers on Saturday published a Soviet broadside against the Bonn Government from the Soviet Communist newspaper Pravda, saying Bonn was using its relations with East Germany to undermine the socialist system in that country. West Berlin officials said this made it look even more unlikely that Herr Honecker would proceed with his planned visit to the West.

Pravda recalled that in 1980 East Germany stipulated before relations with Bonn could be normal, West Germany would have to recognise East German citizenship and change the permanent missions of East and West Germany in each other's capitals into embassies.

West Germany has said it could not concede that. The East German leadership had agreed not to raise the issues during Herr Honecker's visit.

Soviet diplomats in East Berlin said Moscow was unhappy about Herr Honecker's visit because he would return just before Mr Konstantin Chernenko, the Soviet leader, planned a visit to East Germany in October for the country's 35th anniversary. This could make it appear that East Germany's relations with West Germany took precedent over its Moscow ties.

The diplomats said they were surprised by West Germany's announcement, last week, of humanitarian concessions agreed by East Germany in return for the latest loan. The Russians said, sarcastically, that they thought East Germany was a sovereign country which could speak for itself.

West German officials said Bonn had told East Berlin it insisted on the announcement to convince West Germans that East Germany was making concessions.

East European diplomats say Moscow had told East Berlin previously it was worried that the exit permits granted to 25,000 East Germans to leave the country earlier this year would encourage more East Germans to apply to leave.

Herr Helmut Kohl, the West German Chancellor, said he was convinced the Soviet campaign against his country would be without any effect. He noted that "impudent remarks" from some Warsaw Pact capitals could not unsettle him.

French referendum faces block

BY OUR PARIS CORRESPONDENT

THE FRENCH upper house, the Senate, in which the Opposition is in a majority, has decided to block President Francois Mitterrand's project for holding a referendum in September on issues of civil liberty.

The Senate's decision is a setback for the President. For the first time since the left came to power it puts the upper house in direct constitutional conflict with the National Assembly and the President.

Opposition leaders felt President Mitterrand intended to transform the referendum into a plebiscite that would have reinforced his administration's authority. They feared it could have led to abuse by future presidents seeking to bypass Parliament to gain popular endorsement for their proposals. This fear is shared by some on the Left.

The Government has yet to decide how to respond to the Left's initiative. M Roland Dumas, the Government spokesman, contented himself over the weekend with expressing surprise that the Opposition should have refused the President a chance to consult the people.

President Mitterrand's proposal was for an amendment to the constitution that would have allowed a President to hold a referendum on issues of civil liberty.

President Mitterrand wanted his proposal to be approved by a referendum in September. But, as it involved a constitutional amendment the text has first to be approved by both houses of Parliament in identical terms. The cabinet approved the amendment's text.

Initially, the Opposition was divided on how to respond. The neo-Gaullist RPR party favoured amending the text to a formula of words that it favoured—but this ran into the danger that M Mitterrand might accept the amendments, holding a referendum in which he still had a majority.

Details of IBM settlement due

By Quentin Peel in Brussels

SETTLEMENT details of the European Commission's long-running anti-trust case against IBM, the computer maker, are expected to be announced within the next two days.

European officials worked at the weekend to finalise details of the agreement acceptable to the Commission and IBM. The announcement has been delayed by a week already.

Although IBM threatened to challenge any hostile EEC ruling in the European Court of Justice, both sides have made more optimistic noises since the prospect of a compromise.

The dispute concerns allegations by the European Commission that IBM has abused its dominant position in the European market.

Rivals clash again in Beirut

GUN BATTLES broke out between Sunni and Druze Moslem militias in West Beirut for the first time in weeks yesterday, as the Lebanese army worked to implement the Government's latest peace plan, Reuter reports from Beirut.

Rifle and grenade fire rattled through the streets of the Sakiet al-Janzir area for almost two hours before the army moved in to separate fighters of the Sunni Murabitoun and the Druze Progressive Socialist Party (PSP).

The clashes subsided soon after troops with armoured vehicles took up positions around the battle zone and began negotiations with representatives of the rival parties.

Civilians stayed at home for fear of further shooting, however, and militiamen with assault rifles and grenade launchers continued to patrol other parts of the city.

No casualties were reported and the incident had no effect on the "Green Line" where army engineers supervised the dismantling of barricades in preparation for a formal reunification of Beirut on Wednesday.

The battles were the first in the capital since before July 4 when the Lebanese Government sent in army units to create a buffer zone between rival Moslem and Christian forces under a Syrian peace plan.

Residents said the immediate cause of the fighting was a dispute over posters put up by the Murabitoun in Sakiet al-Nazir after a battle with the PSP earlier this year.

Members of the PSP, one of Beirut's most powerful militias, had been tearing down the posters, they said.

Despite its slow reaction the Lebanese army appeared to have emerged with its reputation intact. Officials said there was no question of abandoning the government peace plan in which the army has a key role.

Under the plan, the Green Line will disappear and all roads between west and east will reopen to traffic. Moslem and Christian troops, now organised in sectarian brigades, will be deployed together in the central buffer zone.

Once Beirut is reunited the Government hopes to extend its authority into the Shouf and Aley mountains south-east of Beirut, where the army's Eighth Brigade has been fighting PSP militiamen since September.

The army and PSP exchanged heavy artillery fire on the mountain front on Saturday.

Venezuela 'seeks definitive debt solution'

VENEZUELA is seeking to include several years of debt maturities in its rescheduling proposals to be given to banks this week in New York, Sr Manuel Azpurua, Finance Minister, said, reports Reuter from Caracas.

Sr Azpurua said Venezuela has included 1985 debts, in addition to 1983 and 1984, in proposals to be presented by chief debt negotiatior, Sr Carlos Guillermo Rangel.

"We want to seek a definitive solution to our debt problems, not one that supposes continual renegotiations every few years, and this is part of the proposal," he said.

To date, the government has spoken only of rescheduling about $14.5bn of 1983 and 1984 debts, but the debt negotiating team has worked towards a broader solution.

Sr Azpurue was speaking to reporters after discussions with Sr. Reinaldo Leandro Mora, Congress President on presentation next week of a debt refinancing bill to replace one passed last year covering 1983 and 1984 debts.

He said the Bill, as well as including 1985 debts, will take in debts of some state institutions in which the Government has intervened because of liquidity problems.

These include the Banco Nacional de Descuenlo and the Banco de Fomento Regional del Zulia and some development corporations such as the Corporation de Resarrollo de Los Andes, Corpoandes. Sr Azpurua did not disclose the refinancing bill's amount. But the central bank said it has reviewed a proposal for Bolivars 129.2bn.

EEC assembly not anti-UK, says Pflimlin

The European Parliament was not taking anti-British action when it froze Britain's Community budget rebate, but was seeking to link the refund with a solution to the EEC's financial crisis, M Pierre Pflimlin, the President of the European Assembly, said, Reuter reports from Strasbourg.

In an interview published today in the French newspaper L'Alsace, he said that eventual payment of the $630m (£480m) refund was not in doubt. "The sum allocated to the British is in a frozen account. On the other hand, the commitments made, in particular to farmers, would be in doubt if the community found itself unable to honour them."

Drug 'threat' to Peru

Sr Fernando Belaunde Terry, the President of Peru, said that guerrillas backed by drug traffickers may pose the biggest threat ever to Peru, Reuter reports from Lima. Speaking at the weekend in his National Day address, the president said that rebels in the left-wing Shining Path movement had launched 2,700 attacks during the past year and killed 77 policemen. He charged that cocaine dealers were now financing the movement.

Saudi aid for Lebanon

Saudi Arabia has agreed to give Lebanon more than $450m (£343m) towards the cost of rebuilding the country after nine years of intermittent war, Mr Rashid Karami, the Lebanese Prime Minister, said yesterday, Reuter reports from Beirut.

Premier of Indian state alleges bid to topple him

BY K. K. SHARMA IN NEW DELHI

MR RAMAKRISHNA HEGDE, the Chief Minister of the southern Indian state of Karnataka, yesterday claimed he had evidence that Prime Minister Indira Gandhi's Congress-I Party was trying to topple his government.

Mr Hegde's 18-month-old administration is formed by the Janata Party. Karnataka is one of four states in the country where the Congress-I party is not in power. Their chief ministers met a fortnight ago to discuss what they believe is a threat by Congress-I to dislodge them, mainly by encouraging defections of MPs.

The discussion was held soon after Dr Farooq Abdullah, the Chief Minister of Kashmir, was dismissed early this month by the state governor after the defection of 13 legislators had reduced his National Conference Party to a minority.

Mr Hegde's statement came after the resignation of two Ministers in his cabinet on Friday and their request to the Speaker of the Karnataka legislature to allot them seats as independents. Mr Hegde said the defections posed no immediate threat to his ministry but observers feel the moves could snowball.

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BASE LENDING RATES

A.B.N. Bank	12 %	■ Hill Samuel	§12 %
Allied Irish Bank	12 %	C. Hoare & Co.	†12 %
Amro Bank	12 %	Hongkong & Shanghai	12 %
Henry Ansbacher	12 %	Kingsnorth Trust Ltd.	10 %
Armco Trust Limited	12½%	Knowsley & Co. Ltd.	12½%
Associates Cap. Corp.	12 %	Lloyds Bank	12 %
Banco de Bilbao	12 %	Mallinhall Limited	12 %
Bank Hapoalim BM	12 %	Edward Manson & Co.	13 %
BCCI	12 %	Meghraj and Sons Ltd.	12 %
Bank of Ireland	12 %	Midland Bank	12 %
Bank of Cyprus	12 %	■ Morgan Grenfell	12 %
Bank of India	12 %	National Bk. of Kuwait	12 %
Bank of Scotland	12 %	National Girobank	12 %
Banque Belge Ltd.	12 %	National Westminster	12 %
Barclays Bank	12 %	Norwich Gen. Tst	12 %
Beneficial Trust Ltd.	13 %	People's Tst. & Sv. Ltd.	13 %
Brit. Bank of Mid. East	12 %	R. Raphael & Sons	12 %
■ Brown Shipley	12 %	P. S. Refson & Co.	12 %
CL Bank Nederland	12 %	Roxburghe Guarantee	12½%
Canada Permn't Trust	12 %	Royal Trust Co. Canada	12 %
Cayzer Ltd.	12 %	■ J Henry Schroder Wagg	12 %
Cedar Holdings	12 %	Standard Chartered	‖12 %
■ Charterhouse Japhet	12 %	Trade Dev. Bank	12 %
Choulartons	12½%	TCB	12 %
Citibank NA	12 %	Trustee Savings Bank	12 %
Citibank Savings	‖12%	United Bank of Kuwait	12 %
Clydesdale Bank	12 %	United Mizrahi Bank	12 %
C. E. Coates & Co. Ltd.	12½%	Volkskas Limited	12 %
Comm. Bk. N. East	12 %	Westpac Banking Corp.	12 %
Consolidated Credits	12 %	Whiteway Laidlaw	12½%
Co-operative Bank	*12 %	Williams & Glyn's	12 %
The Cyprus Popular Bk.	12 %	Wintrust Secs. Ltd.	12 %
Dunbar & Co. Ltd.	12 %	Yorkshire Bank	12 %
Duncan Lawrie	12 %		
E. T. Trust	12½%		
Exeter Trust Ltd.	12½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10 %		
■ Robert Fleming & Co.	12 %		
Robert Fraser	12 %		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		
■ Hambros Bank	12 %		
Heritable & Gen. Trust	12 %		

■ Member of the Accepting Houses Committee.
* 7-day deposits 8.75%. 1-month 9.50%. Fixed rate 12 months £2,500 10.75% £10,000. 12 months 11%.
† 7 day deposits on sums of under £10,000 9¼%. £10,000 up to £50,000 9¾%. £50,000 and over 10%.
‡ Call deposits £1,000 and over 8½%.
‖ 21-day deposits over £1,000 9¾%.
§ Demand deposits 9¼%.
¶ Mortgage base rate.

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WORLD TRADE NEWS

Rise in Spanish car exports likely to fuel row with UK makers

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SPAIN'S output of cars will rise strongly in the next two years and considerably more than half of production will be exported, according to the latest forecasts from the International Automotive Review.

The estimates will add fuel to the growing row between Spain and Britain about the imbalance of trade between them in cars and motor components, and the high tariff barriers erected by Spain.

Car production in Spain this year is forecast by the review to reach 1.2m—a 5 per cent increase from the 1983 level. Output should reach 1.25m next year—a further 4 per cent rise.

The review also predicts that car exports from Spain will be 675,000 this year—up by 5.3 per cent on those of 1983 and representing 56.25 per cent of total output. Next year, it is forecast, exports are to go up to 720,000, or another 6.6 per cent, and to account for 57.6 per cent of total production.

The review believes that Spain will continue to remain well ahead of the UK as a car producer and exporter. It forecasts that UK car output will be 1.05m this year, and will drop to 1.02m in 1985. It predicts exports of about 250,000 for both years.

Whereas imported cars will represent substantially more than half of total car sales in the UK, they will account for only 10-12 per cent of the Spanish new car market, and total between 50,000 and 60,000, it is forecast.

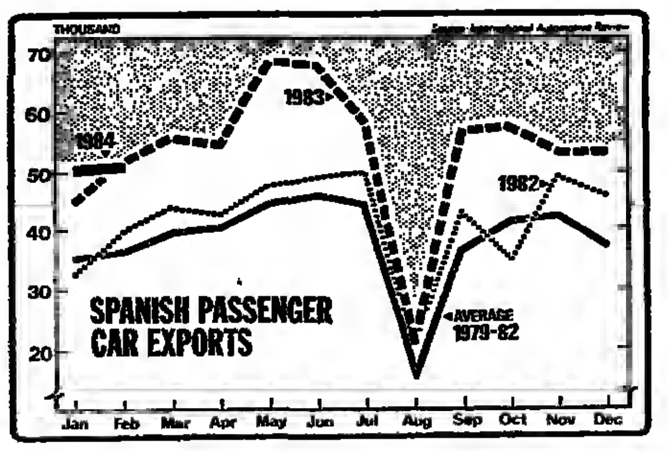
Cars imported by Spain attract duty of 36.7 per cent, while Spanish cars entering the EEC attract only 4.4 per cent. The British Government has been attempting to persuade Spain to reduce the barriers—with only limited success. About 15,000 EEC cars a year are allowed into Spain at reduced duty.

The Confederation of British Industry this week urged the British Government to take a tougher line with Spain over the tariff barriers to car and other manufactured imports.

The review points out that General Motors, which brought on stream its new Corsa/Nova small car plant in Spain two years ago, and the state-owned SEAT group accounted for most of the recent increases in exports.

In the past few months SEAT has built up a network of 700 dealers outside Spain and wants 1,000. The company will start to sell cars in Britain next spring.

International Automotive Review, from ARMC, 7, Tavistock Square, London WC1H 9QJ; £240 for four quarterly issues.



Businessmen hit out at Eximbank

By Nancy Dunne in Washington

THE NATIONAL Association of Manufacturers (NAM) has released a survey that suggests serious dissatisfaction within the U.S. business community with the competitiveness of the U.S. Export-Import Bank.

The survey of 43 companies indicated that many *businesses prefered to seek* export finance overseas through their foreign subsidiaries than to apply to Eximbank. The association said 68 per cent of the companies did not take business to Eximbank because they felt either that finance was not available or would be uncompetitive.

Eighteen companies identified nearly $1bn (£762m) worth of exports, about which they had not consulted the bank during the past 18 months. Fifty-three per cent of the respondents said they had supplied goods from foreign plants because of better export facilities abroad.

One engineering and construction company told the NAM, "the name of the game is to get the exports . . . and not just grind out paper (preliminary commitments) that can't win business." A heavy equipment manufacturer urged Eximbank to become "active rather than reactive."

Of those surveyed, 53 per cent said Eximbank was inadequate in its job of financing U.S. exports. However, several respondents praised the bank for having reduced its interest rates to the minimum required for the Organisation for Economic Co-operation and Development for loans in support of exports. Respondents also cited favourably such Eximbank efforts as greater help for small businesses and its guarantee of payments in currencies other than the dollar.

U.S. manufacturers cited five aspects of Eximbank's policies as troublesome:

- A 2 per cent user fee on disbursed loans.
- Relatively high interest rates on direct loans.
- A percentage of loan coverage that is not competitive with foreign offerings.
- The virtual absence of a mixed credit programme.
- Lack of medium-term credit.

U.S. drugs imports set to rise by 35%

By Carla Rapoport

IMPORTS OF drugs into the U.S. are expected to grow by at least 35 per cent this year, almost double the rate of the last few years.

Based on figures for the first five months of 1984, the U.S. Department of Commerce is forecasting that imports of drugs into the U.S. could reach $1.77bn this year, some 35 per cent over last year's figures. As U.S. pharmaceutical exports are expected to grow by only 6.5 per cent this year, the Commerce Department is predicting a marked fall in the industry's positive balance of trade.

According to Mr Leo MacIntyre, the Commerce Department's drug industry specialist, the surge is due in part to the strong dollar but, equally just as importantly, to the increase of drug product patent expirations. When a drug's patent expires, rival drug companies are permitted to purchase less expensive ingredients from foreign sources and manufacture non-branded, generic, versions of the drug.

He said the increase in imports of raw materials for the new generic drugs was most notably from Italy, Denmark, Switzerland and the UK. The increase in biological products, is believed to be due to increased sales of vaccines and diagnostic products by Switzerland, Canada, the UK, Sweden and France.

Ericsson wins Uruguay 'phone system deal

By Kevin Done, Nordic Correspondent, in Stockholm

L. M. ERICSSON, the Swedish telecommunications and information systems group, has announced that its AXE digital telephone exchange system has been selected by ANTEL, the Uruguayan telecommunications agency, as the basis for a 200,000-line upgrading scheme which will expand the country's capacity by about 40 per cent.

Siemens, ITT, GTE and NEC competed in the selection process, an Ericsson spokesman said. The choice represents the group's first break into the Uruguayan market.

While no figures have been released on the size of the deal, it is understood that it could eventually involve as much as SKr 300m (£27m). The first orders in what is expected to be a two- to four-year programme are expected "within the next few weeks," said one company official.

Mohammed Aftab reviews last week's meeting of Third World fabric producers

Campaign to end curbs on textile exports

THE Third World's textile-producing countries are to launch a campaign to end restrictions imposed by industrialised Western nations on their exports.

Following a five-day workshop last week, attended by 24 countries in Karachi, they are also seeking unconditional most-favoured nation status.

In return for an open-door policy by the West, the Third World producers would be willing to consider voluntary export restraints.

To push their point, the producers are to establish an International Textiles and Clothing Bureau in Geneva, headquarters of the General Agreement on Tariffs and Trade (Gatt) organisation. Eight countries — Pakistan, China, Hong Kong, India, Mexico, South Korea, Morocco and Colombia—have already signed an agreement to set up the bureau and Argentina, Brazil and Peru have indicated their willingness to do so.

Other countries have said they will join after they have secured agreement from their governments.

Geneva has been chosen as the bureau's centre because the Swiss city will be the centre of the negotiations which are about to begin over the future of the Multi-Fibre Arrangement (MFA).

The MFA governs much of world trade in textiles and clothing and is due for renewal in July, 1986. Preliminary discussions about its future have already been held in Gatt and these are expected to accelerate by the end of the year.

The first MFA came into existence in 1974 and offered the Third World producers an increasing share of Western markets, particularly in Europe and the U.S. By the time it was renewed in 1978, these hopes had turned sour and the developing countries found their export industries being squeezed. MFA 3, adopted last year, continued this squeeze and was introduced to bitter comments from the developing world.

The immediate task of the bureau will be to "strengthen the negotiating position of developing countries, through effective co-ordination and technical support," according to a statement issued at the end of the Karachi conference.

The textile producers see the new bureau as "the formalisation and institutionalisation of co-operation among developing exporters of textiles and clothing" which began in Bogota, Colombia in November, 1980.

The Karachi participants will meet again in Geneva before the next session of the Gatt contracting parties in the autumn and future workshops will be held in 1985, with Mexico and South Korea offering to play host.

Mr Izhar ul Haq, permanent secretary in Pakistan's Commerce Ministry, who was the workshop chairman, said that the bureau would be of particular importance to "the small suppliers and new entrants who will benefit most from the databank and technical assistance programme" it will operate.

Mr Arthur Dunkel, director general of Gatt, who addressed the Karachi workshop, offered a word of encouragement. He told the 61 delegates that, for the first time since the 1950s there was a possibility that trade in textiles and clothing would be governed by Gatt rules.

"Whether such a move will be designed to bring trade in textiles and clothing under the liberal precepts of Gatt or whether it would be a search for only a conventional legal cover for existing level of protection and discrimination," has still to be answered, he said.

He favoured the application of Gatt rules to textiles and clothing, a reduction in the level of protection and elimination of discrimination.

"The tendency towards bilateralism and sectoralism in trade policy at present is the greatest danger to the world economy, even greater than political issues," he commented.

Mr Alister McIntyre, deputy secretary general of the United Nations Conference on Trade and Development (UNCTAD), attributed "the adverse developments in the textile trade to the weak negotiating positions of the developing countries."

These nations were being continuously "forced to accept" what the advanced countries claimed were "pragmatic solutions," he added.

He expressed concern that textiles and clothing exports were expanding more slowly than trade in other manufactured goods and estimated the cost to developing countries—in the form of lost export earnings as a result of import restrictions in advanced countries, at $1bn a year.

SHIPPING REPORT

Tanker rates weaken as fighting in Gulf subsides

BY OUR INDUSTRIAL STAFF

WITH SOME 8.5m tons of crude oil carrying capacity standing idle in the Gulf at the end of last week — 22 VLCCs and ULCCs and 23 smaller vessels —the extent to which the war between Iran and Iraq has been underpinning tanker charter rates becomes ever clearer.

Over the past fortnight, action in the area, particularly against shipping, has subsided. With the price of oil continuing to weaken, tanker owners have seen their rates slip away. "There is no doubt," reported one London broker last week, "that if overt war-like operations do not recommence, charterers will be able to maintain the initiative."

Petrofina fixed a part cargo of 108,000 tons out of Kharg Island to the UK, the Continent and the Mediterranean at Worldscale 52.5 and Total is reported to have fixed a similar sized cargo, out of a non-Iranian port to the same destinations, for Worldscale 35.

Another London broker said on Friday that the build up of tonnage in the Gulf "could become desperate".

Talks fail to end U.S.-Peru airline dispute

DIRECT AIR services between Peru and the U.S. remained suspended yesterday after negotiations failed to break a two-month deadlock over transport rights, Reuter reports from Lima.

A Transport Ministry communique said 10 days of talks in Lima between U.S. and Peruvian civil air authorities had ended at the weekend with no accord in sight.

It said both sides would review the negotiations

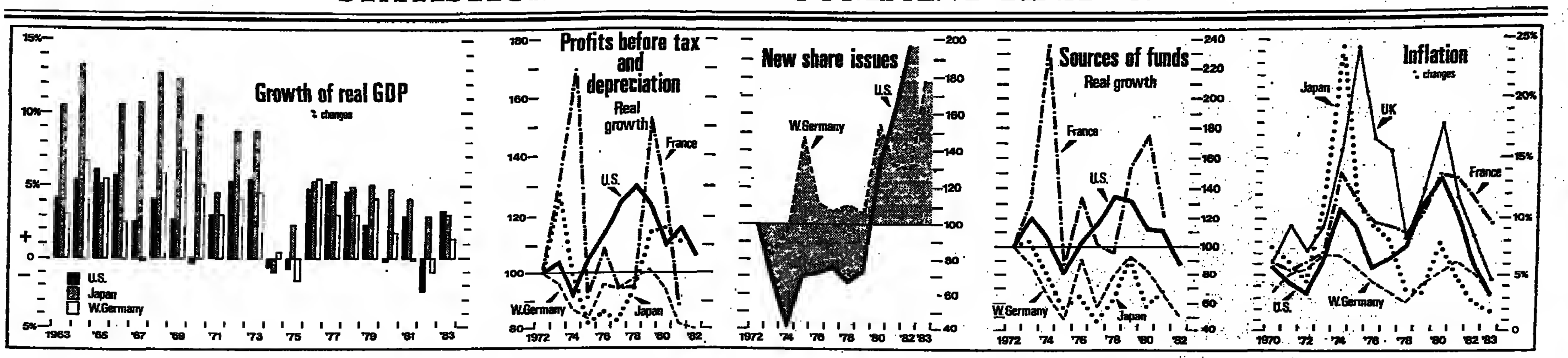
Air services between the two countries were suspended on May 22 because of a dispute over Peru's refusal to let Eastern Airlines pick up local passengers in Lima

WORLD ECONOMIC INDICATORS

TRADE STATISTICS

		June '84	May '84	Apr. '84	June '83
UK £bn	Exports	5.881	5.635	5.370	5.075
	Imports	6.029	5.953	6.207	4.916
	Balance	−0.148	−0.319	−0.833	+0.159
France Frbn	Exports	69.00	73.100	66.00	60.27
	Imports	74.25	73.017	70.40	63.97
	Balance	−5.25	+0.08	−4.40	−3.70
Japan $bn	Exports	14.75	14.28	14.45	12.29
	Imports	10.72	12.43	11.34	10.34
	Balance	+4.03	+1.85	+3.11	+1.95
		May '84	Apr. '84	Mar. '84	May '83
W. Germany DMbn	Exports	39.40	38.86	37.77	34.98
	Imports	35.19	35.91	35.39	31.50
	Balance	+4.21	+2.95	+3.38	+3.48
U.S. $bn	Exports	17.950	17.522	17.727	15.655
	Imports	25.569	28.368	26.771	21.446
	Balance	−7.619	−10.846	−9.044	−5.791
		Apr. '84	Mar. '84	Feb. '84	Apr. '83
Italy Lirebn	Exports	9,502	10,818	10,177	9,002
	Imports	11,174	12,367	11,171	10,715
	Balance	−1,672	−1,549	−994	−1,713

STATISTICAL TRENDS: COMPANY FINANCING



Growth needed to repair damage

CORPORATE profits worldwide have staged a spectacular recovery recently, with attendant increases in self-financing capability, while borrowing requirements have also increased. Allowing for a variety of profit measures and the problems of inter-country comparisons, the evidence is that in the most recent year (1983 or 1983-4) earnings by U.S. companies have risen 30 to 40 per cent and profits in West Germany and Japan by around 15 to 20 per cent.

Growth will need to continue in order to repair the damage of earlier years. Since the early 1960s net rates of return on fixed capital have steadily declined, in the U.S. and Japan from about 20 per cent to between 13 and 14 per cent (the decline in manufacturing industry has been steeper). In some European countries—the UK and France—the decline has been even more marked, from around 12 per cent to some 5 to 6 per cent.

On the economic front the 1960s saw sustained economic growth and low rates of inflation. During the 10 years from 1972 to 1982 the world economy experienced two recessions, in 1974-5 and 1980-2, accompanied by periods of high inflation and a fourfold increase in the real price of oil.

High nominal interest rates were also a feature of the recessions and, although nominal rates of interest have fallen from their peak values reached in 1980, they remain historically high. With substantial falls in inflation in the past two years, real interest rates of 4 to 8 per cent continue to persist.

The corporate sector has suffered from these economic ills. The growth of corporate profits before tax and depreciation fall back during the 1974-5 recession before recovering to climb steadily over the next six to seven years. The recession of 1980-82 saw sharp falls in most European countries and in the U.S., with no growth in Japan.

In real terms, profits in West Germany and in France are below the levels of the early 1970s, and U.S. profits have only recovered to the levels of 1978-9.

The sustained high interest rates have led to an increase in the proportion of trading profit required for interest payments. Strict comparisons between countries are difficult because the proportion of interest payment is affected by such factors as the nature of company financing and taxation.

High interest rates also increase the compensating interest received on surplus funds. Companies' need for funds took a dramatic downturn in 1980-2 with a return to internal financing accounting for a high proportion of the total, as investment in stocks was reduced and fixed investment showed little or no growth.

In the U.S. and Britain the equity markets provide a major source of external financing. Analysis of company balance sheets shows that in the U.S. equity forms about 60 per cent of total liabilities. The corresponding figure for Japan is around 17 per cent—the affect of savings habits, tax policy and share issue practices.

Japan has the tradition of o high personal savings ratio of 20 per cent, and these funds have flowed through the banking system to finance the corporate sector. Thus Japanese industry has a high proportion of debt in its financial structure. However, there too, a trend has developed towards increased use of the equity markets and to borrowing in the foreign capital markets.

PERSONAL SAVINGS RATIOS %

	Germany	UK	U.S.	Japan	France
1965	12.9	9.0	7.1	n/a	n/a
1970	14.7	9.0	9.0	n/a	n/a
1975	16.2	12.5	0.6	n/a	n/a
1980	14.2	14.5	6.0	19.1	14.7
1983	12.7	8.5	4.9	18.2	14.0

Source: OECD

BANK BORROWING

% long-term liabilities

	U.S.	Italy
1978	11	28
1979	12	28
1980	13	28
1981	15	34
1982	17	n/a

Source: OECD

GROSS SAVINGS % GDP

	U.S.	Japan	WGmny	France	UK
1965	21	32	27	26	20
1970	18	40	28	28	22
1975	17	32	21	23	15
1980	18	32	22	22	19
1982	10	31	22	19	17

Source: OECD

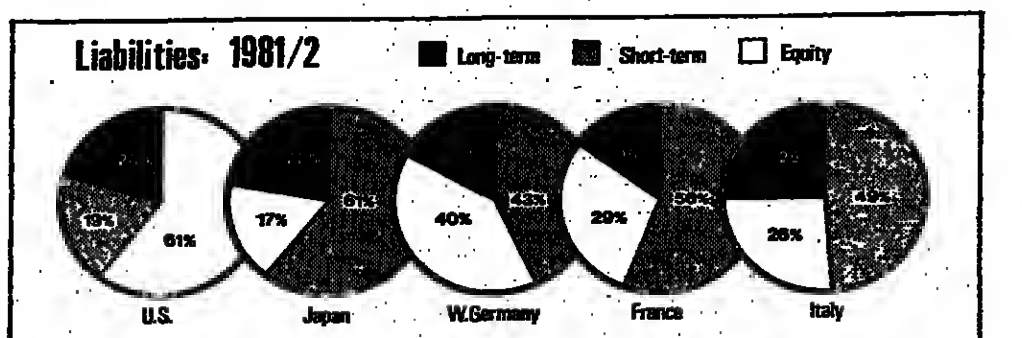
FIXED ASSETS

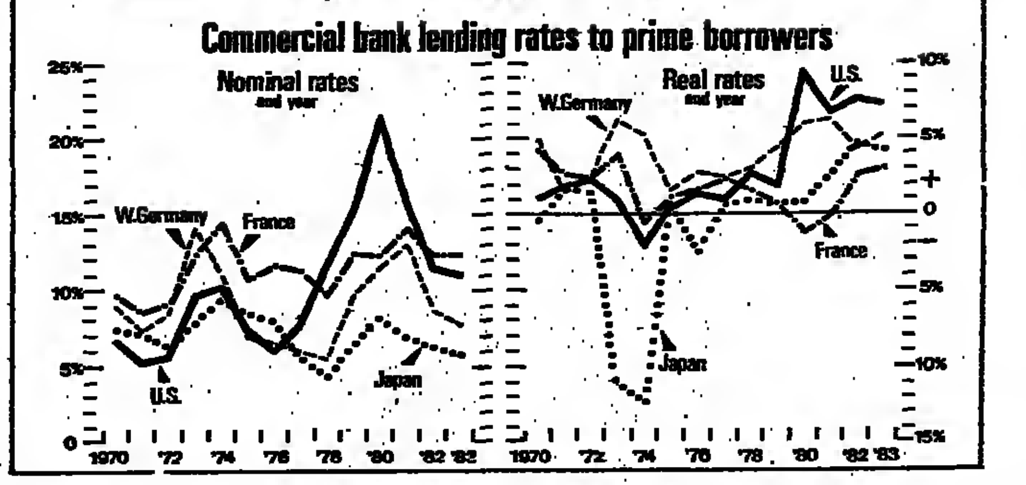
% total assets

	U.S.	Japan	G'mny	France	Italy
1972	54	28	38	28	43
1977	58	25	38	19	35
1981-82	57	28	32	15	28

Source: OECD

Commentary by Our Economics Staff: data analysis by Financial Times Statistics Unit: charts and graphs by Financial Times Design Department





Interest Cover

	U.S.†	Japan	Germany	France
70	14	n/a	14	25
71	13	n/a	15	24
72	12	38	14	26
73	14	34	17	24
74	17	46	21	26
75	15	56	18	40
76	13	54	14	33
77	12	51	14	39
78	12	44	13	36
79	14	38	15	24
80	16	45	18	22
81	16	47	24	43
82	17	n/a	24	n/a

* Interest paid as % gross trading profit
† Net interest.

Source: OECD

Uses of Funds

Self financing ratio

Year	U.S.	Japan	Germany	France
1970	80	n/a	47	31
1971	59	n/a	56	36
1972	66	22	53	38
1973	48	25	59	42
1974	45	25	17	32
1975	76	30	37	40
1976	64	27	62	33
1977	62	56	80	36
1978	55	32	80	37
1979	56	26	36	43
1980	57	40	61	29
1981	63	34	66	28
1982	76	n/a	87	n/a

Source: OECD

Net Rate of Return to Fixed Capital

% (annual average)

MANUFACTURING INDUSTRY

	U.S.	UK	W Germany
1963-67	34	14	22
1968-71	24	11	23
1972-75	28	8	17
1976-80	18	0	16
1978	21	8	17
1979	17	5	17
1980	12	4	14
1981	12	2	n/a

% (annual average)

NON FINANCIAL CORPORATIONS

	U.S.	UK	France	Japan
1963-67	22	11	12	n/a
1968-71	17	9	14	n/a
1972-75	14	6	13	18
1976-80	14	0	8	15
1978	15	7	9	10
1979	14	0	10	15
1980	12	5	8	15
1981	13	5	7	14

Source: OECD

Fixed Assets & Stocks

% total uses of funds

	U.S.	Japan	Germany	France
70	78	n/a	74	70
71	69	n/a	73	67
72	65	48	86	63
73	63	47	78	63
74	72	66	85	70
75	69	46	79	71
76	70	48	70	60
77	69	63	85	62
78	63	55	87	48
79	68	47	68	65
80	66	70	79	66
81	72	108	81	59
82	75	n/a	93	n/a

Source: OECD

Japan

Increase in corporate liabilities and stock issue

(average % shares of total net incremental finance)

	1970-74	1975-80	1981-83
Loans	83.9	58.1	60.3
Yen	82.5	53.2	47.7
Foreign currency	1.4	4.9	13.2
Bonds	6.0	17.1	14.1
Yen	6.1	13.0	4.6
Foreign currency	−0.1	4.1	9.5
Stocks	10.1	24.9	25.0
Domestic issue	10.1	24.1	23.4
Foreign issue	0.0	0.8	1.6

Source: Morgan Guaranty Trust

Long Term Debt % Equity

	U.S.	Japan	Germany	France	Italy
70	30	n/a	63	82	69
71	30	n/a	54	84	88
72	38	180	57	86	84
73	36	165	57	89	80
74	31	164	55	84	76
75	31	180	86	57	81
76	31	162	54	64	82
77	30	146	53	66	75
78	30	148	52	56	68
79	28	136	50	48	69
80	28	134	50	47	67
81	29	136	51	86	93
82	32	n/a	50	n/a	n/a

Source: OECD

هكذا من الأصل

At last, a rumour we can confirm.

These past few months you've probably heard more about Continental than you'd care to know.

Now, we're happy to report, we have a plan designed to solve our problems in the best interest of everyone concerned.

The key provision of the plan is that Continental will continue to operate as a vital financial institution, free of the bulk of the problem loans which had become a burden on our financial and human resources.

We want to emphasise that, while the FDIC will have a strong investment position in the bank, Continental will be privately managed.

And we will be competitive.

The situation is complex. And so is the solution. It will take time. And it won't be easy. But with the continued support of our friends, employees and customers, it can be done.

We'll be telling you more about our plan in the weeks to come.

But right now, all of us at the bank would like to thank all of you who've given us your loyalty and encouragement. And assure you that we are committed to emerging a stronger and healthier Continental.

CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago

UK NEWS

Recovery in economy 'losing its momentum'

BY PHILIP STEPHENS

THE PACE of Britain's economic recovery is slowing and business confidence is beginning to weaken, according to studies published today.

The independent Oxford Economic Forecasting group says the Government will face growing problems in coming months in maintaining tha momentum of the recovery, and predicts the economy will enter a mild recession in 1986.

In its latest medium-term forecast the group says growth will fall to 2.3 per cent this year from more than 3 per cent in 1983, and will then decline to 1.6 per cent in 1985.

If the miners' strike continues through the winter and UK interest rates are kept at their present high levels by rates in the U.S., the prospects will be considerably worse, it says.

A decline in optimism in the outlook for the economy is reflected in the latest survey of manufacturing firms in south east England by the London Chamber of Commerce.

The quarterly survey was conducted before the recent sharp increase in UK banks' base lending rates. None the less it shows that the balance of firms reporting higher output, orders and investment has fallen significantly in the last three months.

Companies remain relatively optimistic about the prospects for export orders, but business confidence in general has declined and fewer companies expect increased domestic sales.

The impact of the recent industrial and financial turbulence on business confidence is also likely to show up in the latest quarterly trend survey to be published by the Confederation of British Industry, the employers' organisation, later this week.

Based on developments since the last quarterly survey in April, fewer firms are likely to be forecasting increased output and orders in coming months.

The Oxford Group says the several uncertainties will cloud the outlook for the rest of this year.

The British Government's flexibility in responding to a decline in output may be limited by the financial markets' expectation of rigorous adherence to the medium-term financial strategy.

The recent weakness of sterling might also signal that the authorities will face a growing external constraint on their policies as the trade balance deteriorates, the group says.

Finally, a continuation of the miners' strike into the winter could generally undermine confidence in the Government, increasing the pressures in financial markets.

The group's forecast of slower growth this year is shared by the stockbroker James Capel, which says the recent rise in interest rates might trigger an abrupt end to tha consumer spending boom which has so far provided the main engine of recovery.

Capel expects, however, that after falling in 1984, the rate of growth will hold steady at just over 3 per cent in 1985.

It also predicts a fairly buoyant performance for investment and exports and says that while inflation will rise in the short-term it should decline again later next year.

Ministers set for change in autumn reshuffle

BY PETER RIDDELL, POLITICAL EDITOR

AN ADDITIONAL minister, possibly of Cabinet rank, is likely to be appointed later this year at the Environment Department to deal with local authorities.

Any change will be announced as part of the Government reshuffle expected in early September.

Mrs Margaret Thatcher, Prime Minister, has apparently not yet decided whether the appointment should be at Cabinet level. There have been precedents for departments baving two Cabinet ministers, though there is apparently some reluctance to make such a change.

Among possible candidates are Mr Kenneth Clarke, Health Minister, and Mr Kenneth Baker, Information Technology Minister. Both are regarded as effective advocates of the Government's case.

Mrs Thatcher feels that an excessive workload has fallen on Mr Patrick Jenkin , Environment Secretary, and his team. This is partly because of the size of his department but reflects the demands imposed by the Government's efforts to reorganise local authorities and to control their spending.

The justification for an additional minister is that the lengthy Bill to abolish the Greater London Council and the metropolitan country councils, together with the action needed to implement rate-capping (spending curbs), will absorb even more ministerial time in the coming parliamentary session than during the past year.

One problem is that Lord Bellwin, Minister for Local Government, is in the House of Lords, and hence much of the House of Commons work falls on Mr William Waldegrave, an under-secretary. Conservative leaders believe that Mr Waldegrave has done a good job in arguing the Government's case but think that the team needs to be strengthened

Many observers at Westminster will see the proposed change as an attempt to make up for the continuing weaknesses of Mr Jenkin in defending the local government legislation, although he is almost certain to remain as Environment Secretary for at least another year.

There has also been speculation at Westminster about changes at the medium and junior level at the Department of Trade and Industry in view both of the long time that some ministers of state have held their jobs and the heavy future legislative load in some areas.

At Cabinet level, the present expectation is that the only two departures from the Government will be Mr James Prior, Northern Ireland Secretary, and probably, though not definitely, Lord Cockfield, Chancellor of the Duchy of Lancaster.

The consequent changes further down the scale, reorganisations at a couple of departments and the departure of balf a dozen junior ministers, could mean a sizeable shake-up among ministers and under-secretaries, even if most of the moves are sideways.

Peter Riddell looks at some rising and fading fortunes

Searching for Tory stars


Mr George Younger (left) and Mr Peter Walker, whose political careers seem to be in ascendancy

QUESTIONS of "Who's up and who's down" recur in almost every conversation at Westminster, just as much as at any Renaissance court. While what Mr Enoch Powell describes as events "out of doors" naturally matter, reputations are still largely made and lost at Westminster.

Reputations at Westminster can fluctuate like stock market trends. It is fashionable to "talk up" Mr Peter Walker, the Energy Secretary, who is exploiting his political shrewdness, Mr George Younger, tha Scottish Secretary, Mr Tom King, the Employment Secretary, and Mr John Biffen, a popular Leader of the House of Commons.

Among the established stars Mr Michael Heseltine has consolidated his position as Defence Secretary with his recent reorganisation, although he faces difficult spending choices. Mr Norman Tebbit has faded somewhat from the public eye after being the meteor of 1981 to 1983, partly because he had been absorbed in the details of the Department of Trade and Industry, which has allowed him less scope for pyrotechnics than the Department of Employment. The cynics wonder whether he is pacing himself for the long haul.

There have also been recovery stories. For instance, Mr Norman Fowler, the Social Services Minister, has escaped from the spiral of accident and failure of a year ago which finished Mr David Howell as Transport Secretary and now afflicts Mr Patrick Jenkin as Environment Secretary. Mr Fowler started his comeback with his speech on the National Health Service at the last Conservative Party Conference and has continued with his piecemeal initiatives on the social security system.

The obvious "downs" in the Cabinet are Mr Michael Jopling, the Agriculture Minister, Mr Nicholas Ridley, the Transport Secretary, and Lord Whitelaw, the Leader of the House of Lords, who has suffered from their Lordships' unwillingness to swallow Thatcherism whole.

The standing of the three main officers of state has not altered much. Mr Nigel Lawson, the Chancellor of the Exchequer, had a considerable coup with his budget this year but has not exploited this success. Mr Leon Brittan has adroitly handled most of the unexpected crises of the Home Office after a poor start with his speech on capital punishment, while Sir Geoffrey Howe has proved a predictably dogged Foreign Secretary, though his poor performances in the Commons have probably ruled him out as a future leader of the party.

Outside the Cabinet, the fashionable rising stars are Mr Malcolm Rifkind, Minister of State at the Foreign Office, and Mr Kenneth Clarke, the Minister for Health, both of whom are among the Government's sharpest public advocates.

Mr Kenneth Baker, the Minister for Information Technology, and Mr Douglas Hurd, Minister of State at the Home Office, remain on everyone's promotion list, though both have been knocking on the Cabinet door for some time.

Most of their ambitions seem likely to be disappointed since the signs at Westminster are that in any September reshuffle only Mr James Prior, the Northern Ireland Secretary, and Lord Cockfield, the Chancellor of the Duchy of Lancaster, will leave the Cabinet, the hapless Mr Jenkin being reprieved for the time being.

The favourites to take over from Mr Prior are Mr Younger – despite protestations about the drawbacks of appointing a Scottish Protestant – Sir Patrick Mayhew, the Solicitor General, and Mr Hurd. Mr Younger's position in Scotland would almost certainly be taken by Mr Rifkind.

Lord Cockfield's departure would be unlamented by almost all his colleagues though it would create a gap for either the promotion of Lord Gowrie, the Minister for the Arts and the Government's best debater in the Lords, or for the return of Lady Young, a former Leader of the Lords, currently at the Foreign Office.

Mrs Thatcher might be planning a bigger shake-up further down the scale – dropping some junior ministers in their 50s who are not going to move any higher, and shifting around some long-serving ministers of state.

Mrs Thatcher is apparently not inclined to make any major changes at present. On the whole she likes her team. Any late summer reshuffle will probably be only a first instalment, however, and Messrs Moore, Lamont, Clarke and Baker might have to wait only until a bigger reshuffle in a year or so. They should remember that Westminster ratings can change quickly, however.

COMPUTER AND PUBLISHING GROUP EXPANDS RAPIDLY

Prism squares up to success

BY JASON CRISP

MR RICHARD HEASE, chairman and founder of prism technology, said: "One of our problems is getting the City to understand our business." The fast-growing company has products ranging from home robots and business computers to publishing.

"The City wants to label you and tends to shy away from curious things ... and we are a curiosity." Nevertheless, Prism has just placed 10 per cent of its equity with Barclays Development Capital, Equity Capital for Industry and CIN. The placement values this two-year-old company at £12m, and on paper Mr Hease is worth just a little more than £6m.

Prism is expected to report soon that its turnover for the year ended June 30 was £30m – three times the previous year's figure. Pre-tax profits are expected to exceed £700,000 compared with £400,000 last year.

Mr Hease does not expect growth to continue at such a fast rate but he does have high ambitions for the company and wants it to become a major high-technology group by the end of the decade. He hopes to float the company publicly in about two years, which is why he is concerned whether the City of London will understand its diverse activities.

Prism's largest single activity is distributing Sinclair home computers to most outlets in the UK, except major chains like W. H. Smith, Boots and Dixons. Prism's own growth has been fuelled by the extraordinary success of the Sinclair computers.

At the same time Prism has developed other activities including the Wren, its own business computer, modems, software and home robots. In this financial year Sinclair distribution is expected to account for about 40 per cent of turnover, which is expected to be about £50m.

Mr Hease is a former journalist who launched his own magazine in 1977 when it had been turned down as a proposition by his then employers, Haymarket Publishing. ECC publications was financed by the sale of two flower shops and was one of the first companies to exploit the boom in personal computer magazines.

ECC launched 20 magazines of which only two have failed. The company funded its growth by selling the successful titles to the large established publishing companies like IPC and EMAP and launching more titles with the proceeds.

Prism itself was set up two years ago, financed by ECC, which is now a subsidiary. The company started by offering to distribute the Sinclair ZX81 computer to small outlets and helped prolong the product's life.

It also started a joint venture with EMAP called Micronet 800. The idea was an extension of the ECC magazines which were publishing computer programs. Micronet enabled the home computer user to get programs directly down the telephone instead of having to key them in.

Micronet sold home computer owners a cheap modem which connected their machines to the telephone. The programs were stored on British Telecom's Prestel service. Micronet became Prestel's first successful residential use after years of searching by BT.

Prism has now split with EMAP after a disagreement on future direction but still supplies it with modems and software. Prism is expected to launch a version of Micronet for business which will enable most of the leading personal computers like IBM, Apple and Apricot, to receive cheap programs via the telephone.

Prism's own venture into personal computers has been beset by delays which is a characteristic of the industry. Mr Hease says it has not been the typical software problem but a problem with the plastic mouldings, which is now resolved. The Wren is a portable business computer with built-in communications facilities – common in the U.S. but not in Britain – which costs less than £1,000.

The money raised by the flotation will be used to speed up internal developments of new products but also to help in the acquisition of small companies. Mr Hease said: "There are a lot of bright people in this country with ideas who just don't know how to bring them to the market."

Prism's strength is its ability to identify untapped markets and then find or develop the product for a small outlay. Examples range from the ability to launch more new magazines than major publishers to helping Sinclair Research sell its computers to China.

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UK NEWS

Stock market examines $2bn takeover bids

BY RAY MAUGHAN

THE STOCK market is currently weighing up three takeover bids worth more than £1bn in aggregate. Two others, worth over £400m if renewed on the original terms, are before the Monopolies Commission and should GEC finally decide to go for British Aerospace, the current market value of its target is over £870m.

Most of the bids reflect the high level of liquidity in the corporate sector and contain a major cash element. The offers by Dee Corporation for Booker McConnell and British Electric Traction (BET) for Initial, both announced on the same day, cannot be restarted until the commission has completed a lengthy investigation, if at all. The cumulative effect of current takeover activity on share prices generally might repeat the impact of the £1bn cash offer for Eagle Star by BAT Industries at the beginning of the year.

BET has over 40 per cent of Initial and regards the deal as an integral element of its group strategy. It plans to argue its case all the way through the Monopolies investigation as will Dee, which holds a 19.9 per cent stake in Booker McConnell.

Phoenix has agreed the all-cash terms from Sun Alliance, which has already acquired Continental Corporation's 24.3 per cent holding.

In the other cases, both bidders can expect a fierce and protracted fight. The possibility of a third party entrant should not be overlooked and the history of the majority of past bid battles suggests, that Tate & Lyle, bidding for Brooke Bond, that Tate & Lyle and Standard Telephones and Cables, trying to buy ICL, will only be producing what each sees as its final terms on or shortly after the first closing date of the bid.

Neither bidder has published its offer document and, in a formal sense, their campaigns have not yet properly started.

MAJOR TAKEOVER BIDS

Announced	Bidder	Adviser	Target	Adviser	Terms	Status	Value £m2
30 May	BET	Baring Bros	Initial	N M Rothschild	9 BET+£33 cash =10 Initial	Referred after agreement	172.6
30 May	Dee	Morgan Grenfell	Booker McConnell	S G Warburg	3 Dee+400p loan stock =10 Booker	Referred after rejection	234.6
11 July	Sun Alliance	N M Rothschild	Phoenix Assurance	Hambros	650p cash per share	Agreed	396.6
23 July	Tate & Lyle	Kleinwort Benson	Brooke Bond	Lazard Bros	1 T&L+350p cash =7 BB	Rejected	299
26 July	STC	Morgan Grenfell	ICL	S G Warburg	2 STC =7 ICL OR 77.14p cash per share	Rejected	342.3

Sharp rise predicted in City of London property values

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

COMMERCIAL PROPERTY values in the City of London are poised to rise 25 per cent or more in the next two years, according to W. Greenwell, the stockbrokers.

A report prepared by the brokers endorses the view that the City office market is experiencing a strong revival after prolonged weakness. It suggests material growth in capital and rental values lies immediately ahead.

Greenwell accepts that "deep structural problems" continue to affect the commercial property sector overall, with tenants becoming increasingly choosy about the quality of accommodation and large space surpluses limiting room for growth in rents and values.

The brokers emphasise, however, that the office market in the City of London has reached a turning point. They say that while previous forecasts of a revival have been premature, recent major transactions prove that confidence has returned.

In recent weeks the entire 245,000 sq ft Billingsgate market redevelopment by London & Edinburgh Trust has been let to Samuel Montagu, the merchant bank, for a rent of more than £6m a year, and Trafalgar House has let its 190,000 sq ft Plumtree Court scheme to Coopers & Lybrand, the accountants.

In the investment market the P & O building has been sold to the Union Bank of Switzerland for £71m at what is regarded as a high price, and, most recently, the Moscow Narodny Bank has paid more than £23m for a partly completed office scheme in King William Street.

Greenwell says it expects investment deals like these to "open a window," probably for two years or so, within which City property values can rise again. After that, a new wave of larger-scale developments might halt the advance.

The brokers also expect most, if not all, major office buildings still available in the City to come under offer in the next few months.

The outlook, they add, augurs well for the massive 2.6m sq ft project being developed by St Martin's Group on the south bank of the Thames opposite the City. 300,000 sq ft of floorspace in the scheme is due for completion by mid-1986. Greenwell says it could draw some financial sector tenants across the River Thames.

● Returns on property investment showed a significant improvement last year, according to the latest property performance index produced by Michael Laurie & Partners and the Corporate Intelligence Group.

The index is based on an £11bn portfolio representing more than 25 per cent of all UK institutional property holdings. It shows that total returns – income and capital growth – last year rose to 9.7 per cent against 7.7 per cent in the previous year.

Minimum wage proposals attacked

By Robin Pauley

A STRONG attack on wages councils – which set out minimum pay rates for lower-paid workers – and proposals for a national minimum wage which might price many people seeking work out of a job is published today.

In the latest Hobart Paper from the Institute of Economic Affairs, Dr David Forrest, economics lecturer at Manchester University, and Professor Stanley Dennison, emeritus professor and former vice-chancellor of Hull University, argue strongly against the sort of intervention in wage concepts which the setting of a national minimum wage would imply.

"If the law compels employers to offer the same wage rate to teenagers as to adults, teenagers can be expected to lose the competition for jobs," Dr Forrest says.

Not only would the burden of job losses fall most heavily on the least advantaged – the young, the unskilled and racial minorities – but minimum wage laws would also have little impact on helping those caught in the poverty trap, he adds.

Dr Forrest estimates that the enforcement of a national minimum wage for young men in Britain, which was 10 per cent above what they get now, would cut employment among that group by 12.5 per cent.

"Moreover, these income-reducing effects are likely to be concentrated on those groups whose initial wage is the lowest." The workers who gained from a national minimum wage would be the more skilled members of low-wage groups who would retain their jobs but at higher pay at the expense of the losers.

Dr Forrest argues that a legal minimum wage is too blunt an instrument to be useful for reducing poverty. It is not so much low wages that keep some people in poverty as the absence of any income whatsoever from work, he says.

"Retired people and single-parent families are among the group with the highest incidence of poverty. Such groups would derive no benefit from minimum wage increases."

In addition, some low-wage employees such as "secondary earner" apprentices did not necessarily come from poor families so raising wages "would have no effect at all on thousands of poor people."

Low Pay or No Pay? £2.50; Institute of Economic Affairs, 2 Lord North Street, London SW1.

TUC faces split over response to new law

BY OUR INDUSTRIAL STAFF

BRITAIN'S Trades Union Congress faces a split over how to respond to the Government's new Trade Union Act because left-wing unions have submitted a series of motions to the annual Congress in September calling for the new law to be defied.

The motions call for full TUC backing to be given to any union which comes into conflict with the new Act, which became law last Friday. The Act requires unions to hold secret ballots for elections of union executives every five years, ballots before strikes, and ballots every 10 years to decide whether to retain a political fund.

The TUC employment committee is working on proposed advice to unions which falls short of outright defiance, which will form a section of the annual report and take precedence over the motions. Attempts will be made to water down the left-wing motions by amendments.

Most unions are likely to abide by the new law. Union leaders are already planning how to conduct the ballots on political funds, so as to limit the potential losses of contributions to the Labour Party.

The TUC might restate the policy of selective backing for unions which brought it into conflict with the 1980 and 1982 Employment Acts.

Some of the motions on the new Act also seek to condemn the TUC's general council and its general secretary, Mr Len Murray, for not backing the print union, the National Graphical Association, in its fight with Mr Eddie Shah's Stockport Messenger newspaper group.

The miners' dispute will also feature strongly. A motion from the National Union of Mineworkers calls for "the mightiest mobilisation of the power and strength of the movement" in a struggle for jobs, defence of working conditions and trade union rights.

The NUM calls on the congress to back its campaign to save pits, jobs and mining communities, reaffirm commitment to an integrated energy policy with an annual coal output target of 200m tonnes, and condemn "the police-state tactics deployed against striking miners and their families."

The National Association of Probation Officers condemns "the imposition, by the courts, of restrictive bail conditions on NUM members charged with minor offences during the miners' strike."

The Amalgamated Union of Engineering Workers (Construction Section) says "the use of police power has now become a real threat to the democracy of this country."

Half a dozen motions condemn the Government's ban on union membership at its Cheltenham communications centre, but the opposition to the new Trade Union Act will be the centrepiece of Congress.

The Fire Brigades Union calls for "all affiliated trade unions to give full support, including industrial action, to those unions which come into conflict" with the Government's union laws.

Similar motions come from the white-collar engineering union AUEW-Tass, the train drivers' union Aslef, the Bakers' Union, the National Union of Railwaymen, and the Furniture, Timber and Allied Trades Union.

Condemnation of the general council's handling of the NGA-Shah dispute comes from a number of unions, including the pit supervisors' union, Nacods.

UK eye-in-the-sky at Olympics

BY LYNTON McLAIN

A SMALL British company, chaired by Sir Michael Edwardes, former chairman of BL, the state-owned car maker, is overcoming the British disease of failing to exploit high technology in the market place.

Sophisticated camera equipment, developed but not exploited in the U.S., has been picked up by the company, Stabilization, and will dominate the aerial filming of the Los Angeles Olympic Games.

The company is based in Chelsea, in a converted London Transport bus garage.

It is the latest in a line of companies that have tried, with limited success, to market a U.S. camera system for specialised television and film applications where instability a problem.

The equipment was designed, developed and made by the Westinghouse Corporation in the U.S. for steady, eye-in-the-sky pod-mounted operation from battle tanks.

The aim was to provide tank crews with a stabilised sight, mounted vertically for vision over obstacles. The U.S. Government declassified the equipment and sold it to a Canadian company in 1967. All current applications involve helicopter-mounted operation.

The novelty of Stabilization's success in winning the American Broadcasting Corporation's contract for the Olympics is that, in place of the more usual story of British companies failing to exploit their high technology in the market, this company has turned the tables by marketing high technology U.S. equipment in the U.S.

Stabilization has bought the only three systems completed by the original makers.

The company is to service the "Gyrosphere" equipment in the UK as a first step towards the eventual manufacture of complete systems.

It has ambitious plans to develop further the technology and its applications, especially in the military sphere.

Stabilization has just bought a small new factory, also near Chelsea, and is in the process of acquiring specialist staff.

The Clydesdale Bank has backed the venture by contributing to the £96,000 purchase price of the factory.

The company, however, does not have the market to itself. Marconi Avionics, part of GEC, has had its "Heli-Tele" helicopter-mounted stabilised television camera system as a "standard product" for over 10 years, Mr Peter Hearne, a director and general manager of the company, said this week.

Marconi Avionics has delivered 50 "Heli-Tele" systems over the past decade, including several for export and to police forces for crowd and ground surveillance.

Stabilization has concentrated so far on applications in the film industry and in television.

Contracts & Tenders

TENDER NOTICE SCOUL 01/84

Sugar Corporation of Uganda Limited, a joint venture company in Uganda, invites sealed bids from reputed manufacturers/suppliers for the following groups of items under the rehabilitation programme to be financed under the loan from African Development Bank, Abidjan.

Group No 1 Chain Type Machinery
Group No 2 Wheel Type Machinery
Group No 3 Implements and attachments
Group No 4 Earth Moving Equipment
Group No 5 Miscellaneous & Special Equipment
Group No 6 Tools and Tackles

The tenderer may quote for any one or more groups but must quote for all the items in the group except groups 3 and 5 where bids for individual items are acceptable.

Interested parties should collect bid documents giving details of instructions and informations to bidders, general conditions of contract, items to be supplied with detailed specifications on payment of U.S. Dollars 200 or its equivalent in Uganda Shillings. The mode of payment will be by Bank Draft in favour of Sugar Corporation of Uganda Limited. The bid documents will be available from 10.00 a.m. to 4.00 p.m. from 30th July 1984 to 10th August 1984. The documents will be available at:—

(1) The Sugar Corporation of Uganda Limited
Plot No 4, Jinja Road, Udyam House,
P.O. Box 1185, Kampala, Uganda
Telex: 61086 Success Kampala
or
(2) The Commercial Manager
The Mehta Group Limited
Jeevan Bharati Building
7th Floor, Harambe Avenue
P.O. Box 41175, Nairobi, Kenya
Telex: 22499 Success Nairobi

Each bid must be accompanied by bid bond on the form attached with the bid documents in the amount of 2½% (two and one half per cent) on bid amount which shall remain in force for 90 calendar days from the opening date of the bid.

The bids must be received latest by 11.00 hours on 4th October 1984 at the Corporation's Kampala Office, address as at (1) above and marked as follows:—

Bid No SCOUL 01/84

The bids will be opened on 4th October 1984 at 11.30 hours.

Company Notices

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS (BDRs) IN HITACHI LTD.

BDR holders are informed that Hitachi Ltd. has paid a dividend to holders of record March 31 1984. [illegible]

Depositary: Citibank, N.A., 336 Strand, London WC2R 1HB.

July 30, 1984

TENDERS FOR GREATER LONDON BILLS

1. The Greater London Council hereby give notice that Tenders will be received at the Securities Office, Bank of England, London EC2R 8AH, on Monday, 6th August, 1984, at 12 noon for Greater London Bills to be issued in conformity with the Greater London Council (General Powers) Act, 1967, to the amount of £35,000,000. [illegible]

The County Hall, London SE1 7PB.
30th July, 1984.

TRUSTEE FOR THE CREDITORS OF HARVEY & LEAHY THE STOCK EXCHANGE LONDON

In the Matter of A Deed of Assignment under the Deeds and Arrangements Acts of 1887 and 1914 regarding the Estate of Harvey & Leahy, declared defaulters on the Stock Exchange. [illegible]

PRUDENTIAL OVERSEAS FINANCE CORPORATION N.V.

Warrants to Purchase Common Stock of AMERICAN TELEPHONE AND TELEGRAPH COMPANY [illegible]

PRUDENTIAL OVERSEAS FUNDING CORPORATION N.V. [illegible]

LEUMI INTERNATIONAL INVESTMENTS N.V. [illegible] FLOATING RATE NOTES 1993 [illegible]

BANK LEUMI TRUST COMPANY OF NEW YORK

Public Notices

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION p.l.c.

3½% Debenture Stock 1979-[illegible]
5½% Debenture Stock 1984-[illegible]

[illegible] By Order of the Board [illegible]

48 Palmerston Place, Edinburgh EH12 5BR
30th July, 1984

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

THE FASHIONABLE argument that management students should get grease underneath their fingernails is not one to which Peter Moore subscribes. He wants managers to be more intellectual.

To him, the argument is not about practice versus theory. It is simply that a manager whose intellect has been developed is more likely to be a better manager than one whose intellect is underdeveloped.

That is one of the reasons why, when he moves into his former boss's office this week, no great winds of change will start rushing through the corridors of the London Business School, whose Nash Terrace classrooms turn out around 12 per cent of Britain's management graduates every year.

As the new principal, he does not intend to initiate any great shift in LBS's educational philosophy, rather only fine tuning to what he regards as a tried and tested formula.

This formula stems from the rather grandly sounding concept of LBS's founding fathers: to create a "centre of excellence" for the development of management education in the UK. In practice this has always meant an institutional bias towards the academic approach to management education less in line with the Harvard model, and more akin to Stanford's.

More, an intellectual who does not subscribe to any particular management theory, intends to build on this success.

"In the UK we have always regarded management as a non-intellectual activity, but most of the problems management is now having to face are extremely complex, and are becoming more so," he says. "This is a drawback and at LBS we intend to continue trying to put more brainpower into the boardroom."

The fact that LBS intends steadily to maintain the status quo comes as no surprise. More than anything, the appointment of the 56-year-old actuary and statistician, whose career has taken him from the world of college lecturer through the National Coal Board and the Reed Paper Group, and then back to the classroom, represents continuity.

He joined LBS when it was founded in 1965, at the same time as his predecessor, the recently-knighted Sir Jim Ball. It is no secret that this long service and the close working relationship with Sir Jim made him the "safe" choice among some 40 applicants for the job, some of whom—given the opportunity—would have radically altered the school's approach to management education.

As it is, Moore is pledged

Peter Moore: putting more brainpower into the boardroom

Fine-tuning to an established formula

Arnold Kransdorff reports on the plans for the London Business School of Peter Moore, its new principal

only to encourage the evolutionary process, which will include some expansion. Currently LBS has 330 equivalent full-time students on its postgraduate degree programmes; this is still short of the 400 target set when the school was started.

In terms of the number of graduate students, this makes LBS the largest UK business school, followed by Manchester, Bradford and Cranfield; wider comparisons are made difficult by the varying emphasis by different schools on executive education.

One of the key changes that Moore hopes to make involves the much-discussed move by industry into the new technologies, a development with which he believes all management students should be familiar.

Another evolutionary process, he emphasises, is the shift from the manufacturing sector to the service sector. At LBS, this will prompt a continuing change in the course content of most programmes, and in particular the 21-month full-time and three-year part-time MSc degrees.

"In simple terms this will mean more case studies linked to service industry," he says.

Equally important is the trend towards greater internationalism. "At the same time as trying to build up our international reputation we will be trying to turn out people who can operate relatively easily in an international environment.

"To do this we need to expose them to international elements. We intend to do this in a number of ways, firstly to increase the width of our course material.

"Secondly, we intend to maintain a critical mass of overseas students on our courses, even possibly increase the numbers on our MSc courses.

"Lastly, we plan to employ more foreign teachers."

Moore next wants to link to a greater extent LBS's curriculum with its research institutes. It has seven so-called institutes, doing work into areas ranging from finance and accounting to marketing and communications, including a small design management unit. Together, they are privately funded to the tune of around £1m a year.

While all these can be considered evolutionary changes, Moore does intend to make at least one important policy decision concerning LBS's tailored programmes for individual companies, which is run through the six-year-old Centre for Management Development.

"This area of management education has shown large growth over the past couple of years. Instead of accepting a wide range of commissions, we are now going to be more selective about the programmes we will accept. We will choose only those which deal with top managers or potential top managers. We will be cutting out the courses for lower and middle managers."

All these changes will, he hopes, go some way to promoting his other main passion—to build stronger links between the university and industry.

"If the bridges were stronger then graduates would be more directly employable and would also not find it so difficult to make the transition.

"To do this, we—as universities—have to encourage more outside project work as well as joint activities with industry and commerce.

"There should also be more visiting appointments to universities by industrialists and more part-time MBAs sponsored by employers."

'Take a lot of care'

ALTHOUGH Peter Moore says he does not intend to make many changes in his new job as principal of London Business School, his appointment is expected to bring about a change of management style even though his predecessor is staying on to research and teach.

For the past 14 years LBS has been run by Jim Ball, an extrovert who combined academia with a highly developed sense of entrepreneurship that launched LBS into the big time as well as giving him a string of successful consulting activities, which he will continue as Professor of Economics.

The top job at LBS has always been considered particularly challenging. As one former student, now a senior executive in a major British multinational, puts it: "The place is so stuffed with prima donnas as to make leadership very difficult. Up to now it has been run by a very visible and strong character. The new leadership will be very low key, so it will be interesting to see how the faculty reacts."

In contrast to Ball, Moore is a quietly-spoken man, more an administrator than a go-getting businessman, who regards caution as a prerequisite to any decision. At 56, he is five years older than his predecessor.

It is Moore's cautious nature that earns him criticism. As one of his faculty colleagues explained: "He's approachable, open-minded and hard-working. He's going to take a lot of care about the job and put a lot into it.

"He's basically a very nice guy but some people regard his caution as excessive, and that irritates them."

Another faculty member said: "Under Peter's leadership, the main faculty group will flourish more than before and be allowed to take its destiny into its own hands more readily."

One of Moore's students was more forthcoming: "Jim was more a go-getter while Peter is more the administrator who will consolidate; he will anchor in concrete what Jim has achieved.

"There is no argument about the largeness of his intellect. As a pure academic he will probably open up the place to a few more academic ideas.

"He may be somewhat colourless, but he is far more approachable than Jim."

Automated handling

Hyster's flexible approach

HERE'S A CASE for the business schools.

Why have so few of the established fork lift truck makers tried to break into the fast-growing automated materials-handling sector?

Theirs is a classic case of an industry whose main product has matured but whose business continues to grow rapidly. Sales of lift trucks are showing little or no growth but the demand for sophisticated materials handling equipment and systems is growing at about 15 per cent a year and is now probably a $3bn market worldwide.

But so far only Eaton of the U.S., Jungheinrich of West Germany end BT of Sweden among the traditional lift truck makers, have made any impact in this exciting new field.

Part of the answer lies in the financial difficulties of the lift truck makers in the past few years as weak market conditions have forced many into costly rationalisation and closures.

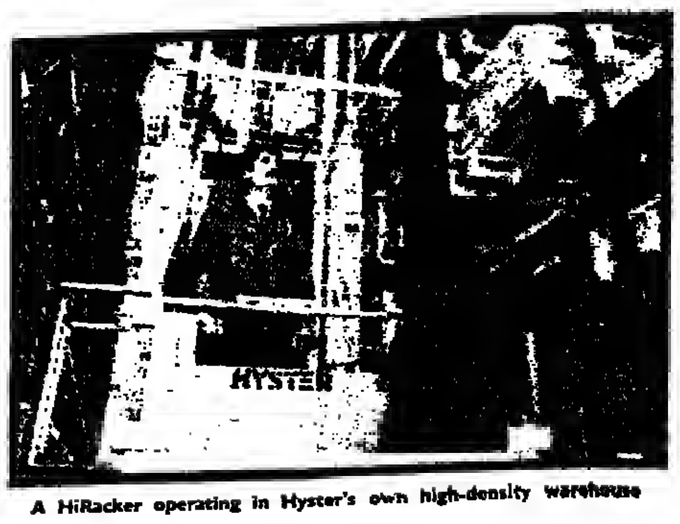
Also, the process of studying a market, deciding on the best course of action end then carrying it out is a long one.

Hyster of the U.S., the world's second largest lift truck maker, started such a process five years ago and is only just beginning to produce a line of automated products at a new factory near Dublin.

The company's initial market research revealed that there were two main approaches to automating materials handling functions. One involved what might be called the totally automated warehouse, in which, on command, machines moved along aisles between shelves and up and down the racks picking up items and delivering them to the shopfloor as needed. This approach is seen increasingly today in high volume factories.

The other approach is a more flexible one, in which conventional machines and systems are made more automatic as the factory's needs develop. For example, a conventional truck for operating in narrow aisles between racks can be programmed to go to a particular bin.

Hyster decided not to enter the automated warehouse business, recognising that it was already a crowded field and that it had no experience in most of the technologies required, such as conveyors, racking and shelving. Flexible systems, on the other hand, tend to be based on wheeled vehicles, a technology Hyster knows well.



A HiRacker operating in Hyster's own high-density warehouse

"We concluded that our strength was in our vehicle base. We have experience with mechanical designs, hydraulics, transmissions and engines," says Arlen Cole, managing director of Hyster Automated Handling.

The company is also betting that growth will be best in flexible systems. "Vehicles give you the ability to go into an existing factory and modernise it gradually," Cole says. "Big automated systems are for people who want to hold big stocks, and we think most people do not want to hold big stocks any more."

Also, flexible equipment can be used not only in conventional materials handling applications but also in the rapidly growing area of flexible manufacturing. Many of the new machining cells being designed need automatic vehicles to carry components from one machine to another.

Hyster concluded it could make a start by adding some automation to its existing small hand-held pallet carriers and narrow aisle lift trucks. It claims a 10 per cent market share in these products in the U.S. and believes many of the users are ready for some automation. These products could also provide the basis for developing a line of automated guided vehicles (AGV).

Most revenue would come from selling machines, but the new business would also need a team of engineers capable of designing more complex systems for customers.

Hyster mapped out a 10-year, $100m manufacturing and marketing project and then shopped around in its now notorious manner for the government that would offer the most benefits in return for having the operation on its territory.

Ireland won. Officials of the country's Industrial Development Authority refuse to reveal the extent of their support but the IDA has the power to provide up to 45 per cent of the cost of schemes. And there is no doubt that it considered Hyster a prize catch.

The main attraction was that the company decided to put its entire automated handling business—from design through manufacture, marketing and service—in one place and to use local labour throughout.

Today, two years after the agreement was signed, the project is up and running. Hyster Automated Handling has a 105,000 square foot headquarters and factory on the outskirts of Dublin, equipped with the most up-to-date computer-aided design equipment machine tools and, needless to say, handling equipment. It employs 170 people, of whom a third are graduates of local colleges and universities.

Production of AGVs has begun, and next month the company cuts one of the few remaining direct connections with the old Hyster lift truck business. The U.S. factory that makes the narrow aisle and hand-held machines will close and production will shift to Dublin.

Whether or not Hyster will succeed in the automated materials handling sector remains to be seen, but it seems to have done most of the right things in preparation for its attack of a new business area.

Ian Rodger

TECHNOLOGY

EDITED BY ALAN CANE

MODERN TECHNIQUES FOR OFFSHORE TRENCHING

Pipelines for an underwater world

BY NEIL POTTER

WHILE a whole Brave New World is being developed up in outer space, so, too, there are strange creations of man at work 300 metres below the waves in places such as the notorious Norwegian Trench, off the west coast of Norway.

A recently developed trenching system for remotely controlled burial of sub-sea pipelines in waters up to 500 metres deep without the need for diver support is an example of such efforts.

Basically, the system comprises a dynamically-positioned mother vessel, a survey and navigation unit and the trenching vehicle.

The system was designed and built by Kvaerner Brug in 1977, and has since been developed

> Pipelines can be buried in waters up to 5,000 metres deep

and improved jointly by that company and Brown & Root Vickers. Last year Dutch dredging experts Volker Stevin Dredging joined them to develop a dredge pump to dispose of the cut material.

Now a new company has been formed, KBV, in which each has a one-third share. Total development costs so far have been NKr 100m, with a further NKr 20-25m spent on up-grading one of the systems after sea trials last year.

The first commercial season was in 1983 when work was done on the UK Brent field. A ... km line on Norway's Ekofisk complex was dug and pipes laid. Also a series of span rectification tasks on the Statpipe 28-in pipeline from the west coast of Norway to the 16/11S riser platform were carried out. Span rectification is needed when it is discovered that the pipe is "spanning" two ridges on the sea bed, which, hopefully can be removed.

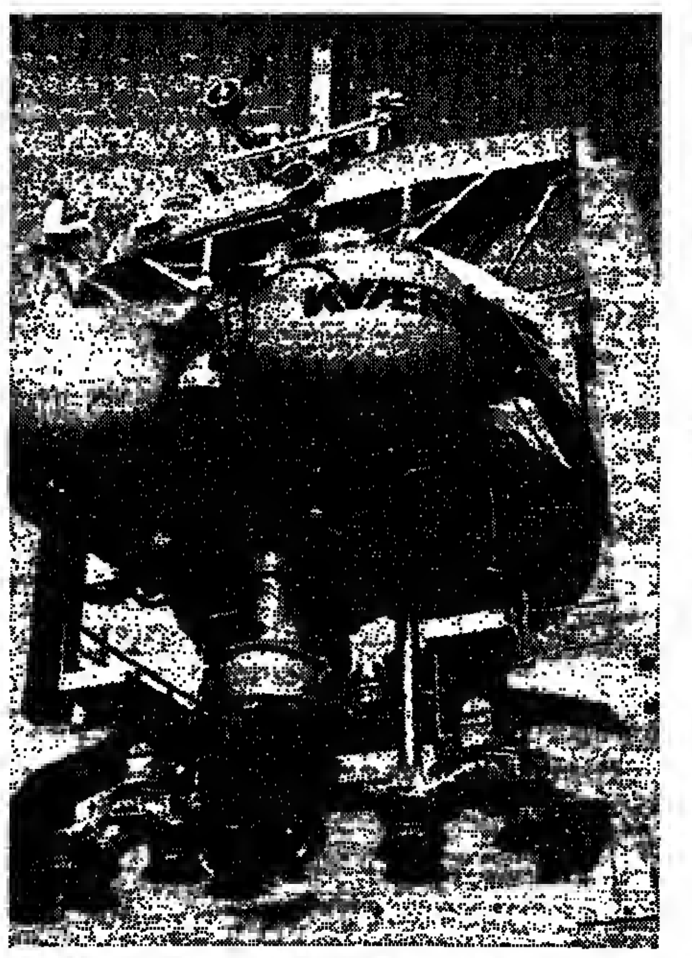
Prior to last year, the system was lowered into the water and retrieved by using the ship's cranes. But now it is undertaken by a frame which enables launch and retrieval to be undertaken in rough seas with wave heights of up to three metres.

Trenching is carried out by a mechanical suction cutter with an internal tunnel-connected dredge pump to suck up the cut material and discharge it to the side. This can operate in both sand and clay and no change of cutter is required if soil conditions change frequently along a pipeline route.

The cutting tool is mounted on a hydraulically powered and neutrally buoyant trenching machine, which weighs 90 tonnes but operates with positive buoyancy in water.

The trenching machine is "flown" from the mother vessel towards the sea bed with the aid of four vertical and four horizontal thrusters. A sensor system helps in locating and docking the trencher on the pipe, which is gripped by the machine's eight motorised wheels. Once attached to the pipe, the trencher uses this as a guide rail for the trenching operation. The trench is cut continuously along one side of the pipe and maximum cutting depth capability of 2.2 metres in a single pass. The pipe slides into the trench by gravity. Working on the Statpipe project at a rate of 1000 m/hr in 300 metres of water, a cutting trench of 1.5 metres has been achieved.

Once on the pipe, the trencher cannot track off, and is able to cross free spans without significantly increasing pipe stress and can tackle slopes of up to plus or minus 20 degrees.



The Kvaerner Brug trenching system for sub-sea pipelines resembles some alien spacecraft.

Power requirements for the machine are limited to 1.2 x 106 W and electric-to-hydraulic power converters are pieced directly on the trencher. Hydraulic power is transformed from the cutter and mass pump systems to the thrusters during the manoeuvering mode.

The four top-mounted spherical buoyancy tanks are partly filled with ballast, which is pumped between the tanks to control roll and pitch movements or compensate for side cutter force.

Motion of the mother ship relative to the trencher is limited by the cable and constant tension heave compensated winch. The trencher

> The remote control system employs modern minicomputer technology

operates through an umbilical cable from the dynamically positioned mother vessel.

The remote control system employs modern mini-computer technology which is used to assist operator control of the trencher. A computer with a 64 k memory forms an integral part of the control and is backed by another machine that can handle the most important functions in the event of a breakdown in the main system. Sophisticated signal transmission methods are employed to handle the number and speed of signals and the navigation system uses advanced acoustic technology.

A remotely operated vehicle, equipped with cameras to "watch" the activities of the trencher, forms part of the system. The KBV trenching system is committed to the Statpipe project until September of this year and the company is bidding for other work in the Norwegian sector.

The trencher at present is able to handle pipelines with outside diameters from 16 to 58 inches and the company KBV Trenching A/S, based at Oslo, is looking for work worldwide, as the spread can be quickly and easily mobilised and relocated.

Surveying

Ready reckoning

QUANTITY surveyors and others in the construction industry could benefit from a computer-aided take-off system. A builder who participated in the field trials found he could estimate cost and building needs of a complete house in two and a half days instead of a more normal week. For some jobs up to 90 per cent of the time this process takes, can be saved.

The instrument incorporates a sonic pen, or digitizer. It emits a series of clicks when placed on a plan drawing on the board. These are picked up by a ribbon microphone round the board and relayed to a computer, which then displays the information on a vdu. A print out can provide a more permanent form.

If the pen is used to trace round the perimeter of a house, the system calculates how much earth to remove, how much concrete is needed, how much timber for the floor, glass for windows, tiles for the roof and so on. Because the computer contains all the geometry of roof angles it is a comparatively simple matter to find out how many rafters, or tiles are needed for a gable, or hip roof.

The Techsonix system is one of the first products to emerge from Aston science park and adjoining Aston University in Birmingham. Its advantage becomes apparent in topographical work and in road building, for example, where boundaries are irregular. If the pen is used to trace round two contour lines to determine how much earth requires to be removed for site preparation, the answer can be supplied in half a minute against 15-20 minutes using conventional methods.

The sonic pen, besides being a more familiar shape to those using drawing boards avoids the limitations on space of electromagnetic systems with a matrix of wires beneath the board. When a working total is arrived at it becomes a priceable item, like the quantity of bricks needed.

The system was devised by Rodney Banting, managing director of Techsonix, who has had 20 years in the family building business. The pen is linked either to an ACT Apricot or IBM personal microcomputer. It is being marketed at around £9,000 and the builder in question is already inviting selected sub-contractors, like tilers, plasterers and plumbers to accept his bills, with the option of personal checking, for the purposes of quoting.

SOFTWARE ENGINEERING

Putting computer programs in order

ALAN CANE

GO TO architects and contractors to have a building designed and erected and they will follow procedures and work rules which have passed the test of time.

Go to the computer industry to have some software written and the software professionals will follow no such well-established codes of practice. Indeed, it seems that the successful completion of a major software project is a surprisingly hit-or-miss affair.

According to John Elmore, head of systems design and software engineering division at British Telecom's Martlesham research laboratories, only some 50 per cent of major software projects started ever end up being implemented in the field.

One anecdote, possibly apocryphal, has it that the only elements common to successful software projects are that the participants know what they are doing, have a way of knowing when they have done it and also if they have done it correctly.

Which explains the current enthusiasm for "software engineering," a grand title concealing nothing more than assiduous attempts to develop methods of producing software more effectively and sensibly. In a professional manner, in fact.

It was distinguished as one of the key "enabling technologies" by the Alvey Committee which reported some two years ago in the UK's needs in information technology.

Imperial Software Technology (IST) was set up 18 months ago by Imperial College, London, National Westminster Bank, Plessey and Pactel, the computers and telecommunications arm of PA Management Consultants, specifically to work at the leading edge of software engineering techniques.

Now it is almost 40 strong and is working with British Telecom on a major project—two year time scale, over £3m investment—which should contribute substantially to the software engineering armoury. John Elmore intends that the new system will become the standard in his area for the development of telephone switching and other software. It will, however, be marketed to other software producers.

It is called IPSE (Integrated Programming Support Environment) and it is intended to support a software project through its entire life cycle.

That means from the point at which the requirements of the user are defined as closely as possible, through to operational support and maintenance.

IPSE is different from some other programming environments in that it is tailored to a contractual model of development.

Roger Hipperson, IPSE project manager describes it like this: "A given piece of software development may be too big to be carried out in one step. So it is broken down into a series of smaller pieces which are given out as sub-contracts."

"Eventually the sub-contract becomes small enough so that a programmer can say 'I understand this piece, and I'm capable of doing it.'"

"Every project in the world uses this method consciously or not."

The essential logic of IPSE, however, is that there is no massive centralised database with all details of the project in store.

Instead, the database is split up between all the subcontractors involved in the project so each subcontractor sees only that view of the world necessary to complete his or her contract.

The IPSE approach is to create a project model, devise methods, prepare models of the data which will underpin the project then move to the programming environment and the software tools which will be used to develop the programs.

Programmers use the word "tools" as an exact analogy with woodworkers and the like; they are pieces of software which make the work of creation easier. IPSE can take in both tools specially created for the job in hand and existing, tested tools.

Both new and existing tools can be combined in IPSE using a special language "Arlo" which creates an "envelope" around them.

Management tools include estimation and work breakdown, scheduling and task definition. Technical development tools include editors and checkers; data management tools include a library management system.

The system will be Unix based and portable between different computer systems. More on 01-581 8155.

Energy

Prototype wind machine

THE WIND Energy Group, WEG, is to build a prototype of a wind turbine generator at Slade Farm Hill, near Ilfracombe. It is intended to be a forerunner of a series of small wind machines which WEG hopes to export.

The wind generator will be in operation by the end of this year. It has a 25m diameter blade and can generate 200 kW or 250 kW.

The project was selected by the European Commission for aid under its wind energy demonstration programme with further aid from the Department of Trade and Industry. It is estimated to cost just over £1m.

The machine will have a three blade rotor mounted on a horizontal axis. It operates at windspeeds from 5 metres per second to 25 m/s when it closes down. It will be able to supply up to 120 homes and at suitable sites will be able to compete with diesel generated electricity.

The machine will be linked by telephone to WEG's offices in Greenford, Middlesex, so that engineers will be able to control and monitor operations.

Automation

Robot directory

AN INTERNATIONAL directory of industrial robots is now available in the UK from Edson Evers Communications at a cost of £35.50. It was compiled in Japan and contains details of 250 robot systems from leading makers around the world. More details on 0785 49237.

THE ARTS

Corpse!/Apollo

Michael Coveney

Corpse! at the Apollo, like *Marilyn!* and *Twang!* is further evidence of the decline of our culture as we know it in the impertinent debasing by the theatre world of the exclamation mark. Awful shows always feel the need for a comforting exclamation mark on the title, and *Corpse!* is no exception. I read somewhere that it was written before *Sleuth* (not a bad play, and no exclamation mark you notice) and that for upward of 15 years managements all over London, if not the entire nation, have been returning the script to Mr Moon.

Now this is the most cheerful news I have gleaned all week. Some of those theatre fellows knew, for once, what they were doing. For this is the most malformed, most painfully jejune piece of writing to hit the West End stage since the ghastly *Cowardice*. Readers determined to see it will be hoping that I give nothing of the plot away. But a critic, alas, has an obligation to be at least marginally informative. As in *Sleuth* there are blanks fired. As in *Sleuth* there is a private revenge motive: Keith Baxter is trapping an Irish war veteran in his London basement. The veteran is played by that delightful actor Milo O'Shea, to whom I extend respectful condolences. Keith Baxter was in *Sleuth* in 1970. He played opposite a character called Milo. . . .

The war, incidentally, is the First One. The year is 1936, which is more or less when the play was written. You know it is set in the past because Keith Baxter talks like Noël Coward for some of the time and there are references to that awful Wallace Simpson and the tyrannous Lilian Baylis. Mr Baxter plays identical twins, one of whom is a mother-fixated alcoholic homosexual actor, the other a filthy rich financier with a clipped accent. One of them wants to bump the other off. But not really.

The actor, Evelyn, who is doing all this for mother, is given to visiting Fortnum's disguised as the old Queen Mary and shoplifting paté and gentleman's relish. Not surprisingly, perhaps, Evelyn has been out of work for two years, having been sacked by Lilian Baylis after going on for Ernest Milton in *Richard II*. He is unloved, but not alone. As his suffocatingly arch landlady (Joyce Grant) remarks: "I've never known a man with so many nephews."

Unlike *Sleuth*, *Corpse!* is not witty or even secure in its mockery of thriller convention. It is just rather drab and uninteresting, despite the odd quick change routine by Mr Baxter. The Irish major is, quite unbelievably, on the run from some Limehouse crooks. The unmistakable sound of a cracked bell of dubious authenticity reverberates across the evening. You would have to be either a hardened thriller buff or more curious than a very nosey cat to want to stay after the interval.

Médée/Buxton Festival

Max Loppert

Buxton, continuing its scheme of composing each successive festival programme around a single theme, is this year devoted to The Greek Revival. It is one eminently well suited to the town itself; and it has apparently been an inspiration to the festival directors themselves. For three marvellous stage works, each currently (and unduly) something of a rarity, have been matched to give the plan theatrical flesh (while Buxton's usual attractive medley of concerts, lectures and ancillary events can be relied upon to develop its small offshoots).

Next weeks sees the British première of Cavalli's *Giasone*, and thereafter a Cheek By Jowl Theatre Company production of Racine's *Andromaque*. But the opening, on Saturday, can probably be counted the single most important and valuable event in the entire history of this short but already illustrious festival—Cherubini's *Médée* (1797), in the original language, and, more significantly, exactly as the composer wrote it, with song and spoken dialogue in careful and dramatically heightened balance. This was not quite the British premiere of an authentic *Médée* — Durham preceded Buxton in 1966, using Arthur Jacobs' English translation.

But for the needed demonstration to the larger operatic world that—in this case as in so many others—the composer knew best, it must surely be the impact of this production that will clinch the argument. Since Franz Lachner composed, a half-century or so after the Paris première, recitatives to remove the dialogue and make up a "sung-through" opera, his version (in various subsequent Italian adaptations) has been the basis for the relatively rare revivals of the opera—it was in a "modified-Lachner" *Media* that Maria Callas achieved one of her greatest triumphs. How much of an imposture, despite Callas, the later score has been on the original, only score-readers could estimate. Now, at last, Buxton has taken up the case, and won it more convincingly than one dared to predict.

The main point about the authentic *Médée* is that its music is all Cherubini, and therefore all of a piece. Lachner was a talented, devoted missionary for the work, but his contributions, in a Romantic style that jars horribly with Cherubini's Revolutionary classicism, end up by robbing the original of a large measure of its special power.

Spoken dialogue moves faster, conveys more in a shorter space, than recitative; no excuse is any longer required for the truncating of extent numbers to fit the performance into acceptable time limits — it was literally a revelation to hear such pieces as Medea's entrance aria allowed their unfamiliar full, necessary length. And when the dramatic contrasts of singing and speaking voices are made plain, Cherubini's brilliant and highly subtle use of them becomes no less so. The librettist, Hoffmann, was no great master, yet his verse serves the purpose admirably—it is only because in later years he himself was never put to the proper theatrical test that so many nonsenses about the libretto should have been able to flourish unchallenged.

By the Lachner version, an interpretative genius of Callas order was ever required to keep long sections of the evening from tedium. Even without a Callas, the original soon develops and sustains what Basil Deane has called "its Racinian intensity, unprecedented and almost unparalleled in later operatic history". In *Médée*, scorching fires burn beneath the cool facade, melody flows where in other Cherubini operas it sometimes feels to be the single important shortage. The very structural mastery seems to tighten the screw; with its little semiquaver figures obsessively jabbing at the surface, and its unemphatically striking combinations of timbre for dramatic ends, this is a work that stands at a crucial place in operatic history. Even if the Buxton performance were less accomplished than it is, its illumination of the place would still merit boundless gratitude.

So far there are dominating uncertainties of style—easy to understand but necessary to overcome. Much of the dialogue is cut but Miss Plowright has still has important passages to speak and she does so in an urgent but continuously unidiomatic way. There is farr too much arms-aloft menace, complete, in the third act, with Martha Graham-tyde movement; only fitfully are the fury, the anguish, the maternal tenderness, the final mad triumph from within. Saturday's performance was only a sketch of what, with practice and careful polishing, one hopes it will become; it was already sufficient to give the production its central focus.

"Without a Callas" is perhaps an ungenerous way of describing the good fortune of the festival in acquiring Rosalind Plowright for the title role. It is one of the most taxing in the entire operatic literature; the fact that Miss Plowright already sings all of it with some confidence, and much of it with full, darkly lustrous, passionate tone, should place in proper perspective other criticisms (Miss Plowright's singing of "Du trouble affreux" in Act 3 was one of the most beautiful things I've ever heard from her). In addition, she brings emotional weight and depth to Medea's development; when this performer is on stage—and she is for the major part of the opera—one is very seldom tempted to look elsewhere.

From the point of French delivery it was the Jason, Howard Haskin, who hinted at otherwise undreamt-of possibilities; if Haskin is a touch lissome for the hero of the Argos, that is a forgiveable fault in an opera tenor, especially when the performance is as warmly sung as this. Paula Bott's Dircé was sympathetic, admirably so given the short notice at which she took over from the advertised singer. (The audience was told nothing of this, nor was it informed what throat ailment was reducing Moira Griffiths' Neris to a whisper.) Creon was less imposing than he should be because of Sergios Kalabakos' linguistic discomforts. Buxton's chorus is better than ever. Anthony Hose is a strong, convinced conductor; how powerful a neo-classical operatic tragedy sounds in a theatre of this size!

The production, by Malcolm Fraser in Fay Conway's designs (generalised ancient - Greek ethnic, with lots of gewgaws for the ladies to wear), is not very distinguished. Bringing dogs and then a live sheep onto the stage during the second-act finale—a guaranteed audience distraction in this animals-worshipping country—seems to be its most notable innovation; equally, one should probably be grateful for the swift, efficient way it unfolds, and for the absence of any imposed Producer's Concept to get in Cherubini's way. No Radio 3 live broadcast is scheduled—why on earth not?

New glory for old—the restored Criterion at the hub of Piccadilly Circus

Architecture

Colin Amery

A week to restore the spirits

The best thing to happen last week was a chance visit to the Criterion in Piccadilly Circus. It is hard to imagine that at the very centre of this circus of tawdry tourism and shifting seediness there is a great and glorious room. We all knew that somewhere under the Formica lurked the brilliant marbles and precious stones of Thomas Verity's Marble Hall but nothing could quite prepare you for the newly revealed splendours.

It was in 1874 that the Criterion opened with its theatre in the basement, restaurants on the ground floor and banqueting rooms on the first and second floors. The entrepreneurs Spiers and Pond had organised an architectural competition for their palace of pleasure at Piccadilly and Thomas Verity was the clear winner. He made the Marble Hall (which was also once known as the Long Bar) the rich centre of a series of grand public rooms.

It is not just a rich room; it it Byzantine in its extravagence. The walls are marble in tones of pink and greyff frieze and capitals are inlaid with mosaic and medallions of rare stones. Bright malachite, glimmering mother-of-pearl, dense blue lapis lauli are only some of the materials that surround the richest element of all—the gold mosaic ceiling. The ceiling is one of those confident gestures that Imperial Victorian London made with such style. Today it still looks magnificent with the original tulip-shaped lights arranged in bunches around the cornice.

All these splendours have been revealed by the designer Richard Daniels of the Bell Daniels Slater Partnership, working with the Trust House Forte Design Office.

It is a brilliant rescue operation and the new restaurant which occupies the space, the Criterion Brasserie, deserves to be a great success. Gradually the rest of the Criterion building will be restored, I hope in as faithful and careful a way as this. It has had a chequered history, surviving the various attempts of architects and planners to redesign the Circus. Trusthouse Forte must be congratulated on the first moves towards the upgrading of the area.

It would have been easy to succumb to the slum like fruitmichine ethos of nearby Leicester Square. I hope that bey can make the food and the esrvice live up to the remarkable quality of the reborn surroundings. It could be the elegant meeting place that the West End has lacked for so long.

Another good news story was celebrated in the capital last week. A party was held to show the world the restored No 22 Arlington Street. This grand town house of the 1740s was designed by William Kent for Henry Pelham and it has been completely restored by its owners Eagle Star Holdings plc. A first class book, edited by Peter Campbell, was alsoc published last week to celebrate and document the story of this remarkable house. (*A House in Town—22 Arlington Street, its Owners and Builders*, published by Batsford, £15)

There had to be a deal with the planners before it was possible to restore the house which occupies a long site running from Arlington Street to Green Park immediately behind the Ritz. It was agreed that Eagle Star could build themselves a new office block on Arlington Street at the cost of the demolition of the original entrance block. The new offices are inevitably not very distinguished but they were the price for a restoration of William Kent's house.

Back in the 1960s there was a alarming proposal to demolish everything on the site and build two tall blocks. There was event an earlier proposal to clear the whole site, including the Ritz. Times must have improved when such a painstaking and successful restoration as this is undertaken by a commercial company.

The Great Room has one of Kent's most beautiful ceilings, coffered gilded and painted with panels of grisaille. It is as good as the more familiar saloon ceiling at 44, Berkeley Square. Using all the best advice they could Eagle Star has reinstated the house as accurately as possible. There are some who will question whether Kent would really have used quite so much chocolate brown paint. I suspect that the ceiling of the Great Room was almost certainly a heavy stone colour like a Roman or Mantuan palace, but we will never be certain. It is an important gain for London, especially as the rooms can be used for functions and are in use for concerts and the celebratory book is one of the most thorough records of the history and renovation of one building that I have seen in England.

At the Royal Academy unti August 3 there is a useful exh bition of the work of the Ass ciation of Consultant Architect They have published an impor ant new type of annual dire tory (*The Illustrated Director of Architects* edited by Fran Woods and Ray Mosley pu lished by the Architectur Press) which illustrates th work of most of the maj private practices in the countr There is also a useful sectio called "How to choose a architect."

No other publication show so much recent work in o volume and in the search f an architect this book shoul he consulted.

Dublin is still reeling fro a decision to allow a very ta (possibly more than 30 storey office block for Irish Life on prominent site opposite th Customs House, on the Liffe Surely Dublin cannot be seriou —to allow the highest buildir in Dublin to transform th agreeably small scale nature the city on such a sensitive si The architects Keane Murph Duff will have to produce masterpiece if such a prominei landmark is not to ruin th city. Perhaps Irish Life shou have a word with Eagle Star see how to behave in an 18 century city.

Big response to novel competition

There were 408 novels su mitted for the new novel co petition sponsored by Co stables and organised wi Northern Arts and oth regional arts associations in t north of England. There is cash prize of £2,000 with further £1,000 advance as w as publication of the novel. T winner will be announced November.

Beckford archive for the Bodleian

Blackwells, the Oxford boo selling firm, has presented the Bodleian Library the archi of William Beckford's litera manuscripts which it bought Sotheby's in 1977. The archi of Beckford, a great collect and patron of the arts, has be in memory of Sir Basil Blac well who died in April.

London Symphony/Albert Hall

David Murray

Much the best thing—indeed, the only really good thing—about Friday's Prom was Ida Haendel's performance of the Brahms Violin Concerto. The LSO should have been conducted by Yuri Simonov, but his place had to be taken by Jukka-Pekka Saraste, a 28-year-old Finn, who already has many Scandinavian performances to his credit. Perhaps he was overawed by Miss Haendel, or unconfident about Brahms (he inherited Simonov's programme intact); in any case, he provided only neutral orchestral backing, neither a helpful complement to his soloist nor with any vital character of its own.

Miss Haendel, who made her first Prom appearance the year I was born, played magnificently, as she generally does. Her deep understanding of the work illuminated every phrase; one would call it a personal meditation on the Concerto, except that it was so completely projected—her full, sweet, beautifully focused tone must have carried to every part of the hall. Until the springing coda of the Finale, there was perhaps a certain impression of golden sameness, a want of any strong kick to introduce new stages in the musical argument: better definition of the orchestral part would have cured that.

The concert had begun with the *King Lear* Overture of Berlioz: a difficult piece, with striking ideas arranged in a diffuse sequence that needs canny handling. Saraste had intelligent notions about the music, though they weren't conveyed with much flair. Throughout the concert, his manual style was a puzzle, visually crisp and obviously much-practised, and yet securing very little effect from his orchestra. The Bartok Concerto for Orchestra failed altogether; despite last-minute rallying by the LSO brass so as to make a resounding conclusion, I have never heard it sound so flaccid, unconvinced and dull. The dramatic pacing was continually marred by dropped stitches, and Saraste somehow contrived to take the edge off even the sure-fire brilliant passages. One couldn't guess whether nerves were at fault, or bad rapport with the orchestra, or simple unfamiliarity with the work. The LSO might have played it better without any conductor at all.

Six young artists for Concert Trust

Six young artists have been selected for management by the Young Concert Artists Trust. They are Caroline Dale and Jane Salmon (both cello), Jose Feghali and William Stephenson (piano), Jonathan Rees (violin) and Timothy Wilson (counter tenor). They range in age from 19 to 25.

Under the scheme the Trust will provide a free management service for the artists and help to develop their careers until they are taken up by commercial agencies. Over 150 young artists applied to audition for the Trust.

Reprieve for Midlands orchestra

The Midlands-based English Sinfonia Orchestra has been saved by its own players. It was feared the loss of arts council cash could force the orchestra to stop playing, but the musicians have formed a new company to manage its affairs.

Now ES Orchestra Ltd, which has received financial backing from the Musicians' Union, is seeking sponsorship and engagements. The orchestra will continue to concentrate its work in the east Midlands, with Steuart Bedford as principal conductor and Sir Charles Groves as president and artistic adviser.

A Little Like Drowning/Hampstead Theatre

Michael Coveney

In its quietly undemonstrative, occasionally precious but generally touching manner, Anthony Minghella's *A Little Like Drowning* at the Hampstead Theatre is the sort of play ideally suited for Hampstead and the sort of play Hampstead does well. It is a family snapshot play, no doubt much of its autobiographical, contained within the reminiscent conversation of old Anglo-Italian Leonora (Constance Chapman) and her little grand-daughter (Mia Callow) on a grey English beach.

The fact that Mr Minghella gets away with this dangerous device is a tribute to both his skill and the actors' tact. Mia Callow, although gauche of gesture and vocal inflection, is the least embarrassing child actor I have seen for ages. And Constance Chapman fuels her bath chair memories with the long-held resentment of the abandoned wife. For Alfredo left her for that "putana" Julia, left her with two daughters and a café to run under the old bridge.

The first flashback is to the wedding night, with Alfredo bedding his new bride, the young Leonora (Jane Gurnett). On the brass bed head, there are candles and a crucifix. From the off, Alfred Molina as Alfredo suggests he is making a great error. He has returned to his Italian roots to marry a girl he does not love. The wedding night is a disaster, but the suffocating pretence is embarked upon when, to placate the villagers below, Alfredo cuts himself to provide a spot of blood for the display sheet.

Alfredo is happier with his Caruso recordings of Italian and French opera—the evening is flecked with gorgeous snippets of Verdi, Puccini and Gounod. It is through music that he falls in love with Julia (Morag Hood): in a lovely little scene they sit at the opera and, on a wave of passion, stumble out of the stalls and into the adulterous darkness. Staged with telling economy by director John Dove, the play is full of such rich moments, none richer than the wedding of one of Alfredo's daughters. The photographer joins in the reunited family's impromptu Puccini outburst and within seconds Alfredo is telling Leonora of the beauty of his naked daughter when he glimpsed her through the bathroom door.

Mr Molina, with his light comic touch and beautifully restrained repertoire of shrugs and accommodating gestures, ensures that Alfredo's guilt at leaving Leonora weighs at least as heavily as his love for Julia but he grows old, a haunted figure, playing cards with his brother (David Howey in one of three telling cameos) and finally suffering a seizure in the bathroom. He confesses but not to the priest. He dies a deceived man and old Leonora will deceive him further by claiming his corpse for eternity.

The post-war scenes (the play covers 50 years from 1926) are set, not all that reverberatively, in Dublin. Any sense of place is only really provided, in fact, by Tanya McCallin's superbly ingenious design of clouds, lights, surf and wide beaches. This vista separates and closes smoothly like the pages of a photograph album, wherein are etched with much vivacity these details of Catholic Italian family life across three generations.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

July 27–Aug 2

VIENNA

Kattowitz Philharmonic Orchestra, conducted by Karol Stryje with Konstanty Kulka, violin. Ravel, Szymanowski and Brahms (Tue). Kattowitz Philharmonic conducted by Tamas Kocz. Brahms and Mussorgsky (Thur). Both at the City Hall Arcade Court (42 800/2085).

Ludwig Doerr, organ: Bach, Reubke, improvisation. Augustinerkirche (Mon).

SALZBURG FESTIVAL

Vienna Philharmonic conducted by Claudio Abbado with Zoltan Kocsis, piano. Mozart and Bruckner. Large Festival Hall (Wed).

Alfred Brendel: Schubert piano sonatas. Large Festival Hall (Thur).

Josef Suk, violin. Soloist and conductor of the Suk Chamber Orchestra. Vivaldi, Mozart, Vanhal and Suk. Mozarteum (Thur).

Information: 0662/42541.

LONDON

Academy of St. Martin-in-the-Fields, directed by Iona Brown. Handel, Bach and Vivaldi. Royal Albert Hall (Mon). (589 8465).

English Chamber Orchestra, conducted by Sir Alexander Gibson. Stravinsky, Mozart, Hans Werner Henze, with Yuuko Horigome, violin and Nobuko Imai, viola. (Royal Albert Hall (Tue).

BBC Symphony Orchestra, conducted by Elgar Howarth. Harrison Birtwistle, Bartok and Berio. Royal Albert Hall (Wed).

Bournemouth Symphony Orchestra, conducted by Rudolf Barshai, with Michael Roll, piano. Mozart, Britten and Shostakovich. Royal Albert Hall (Thur).

PARIS

Orchestre Symphonique Franco-Allemand conducted by Jean Thorel, Caroline Lupovici, piano, Thomas Thyllack, cello. G. Pierne, Saint-Saens (Mon 8.30pm). Assas Law Faculty, 92 Rue d'Assas, Metro Vavin.

Jean-François Zygel, piano: One hour with Claude Ballif (Tue 6.30pm) Townhall of the 5th Arrondissement, 21 Place du Panthéon, Metro Luxembourg.

Italian Chamber Music by Antiqua Nova Ensemble: Rossi, Granata, Kapsberger, Vivaldi (Wed 8.30pm). Musée Carnavalet, 23 Rue Sevigne, Metro Saint-Paul.

Kronos Quartet: Riley, Schulthorpe, Ballif, Boulez, Shostakovich (Thur 8.30pm). St. Severin-Church, Metro Saint-Michel.

All the above concerts are part of the Paris Festival Estival (Call 549 1483 Tue to Sat 10am till 7pm, or 225 2255 Mon to Sat 11am till 7pm for information and bookings).

NEW YORK

New York Philharmonic: Free open-air concerts in various New York City parks continues its 20th season with James DePreist conducting. Barber, Haydn, Tchaikovsky. Co-op City, The Bronx (Mon) and Marine Park, Brooklyn (Tue). (877 2011).

New York Choral Society (Carni Hall): The last month in the 24th summer of sings starts with Frank Neuhauser conducting the Mannes College of Music in a programme of Bernstein, Stravinsky and Haydn (Tue). James Kurtz conducts an all-Berlioz programme sung by the Fordham University Chorus and Habeas Chorus (Thur). 57th & 7th Av (873 0096).

WASHINGTON

National Symphony (Wolf Trap): Celebrating the re-opening of the Wolf Trap concert hall after its disastrous fire, the National Symphony teams with Placido Domingo for the beginning of this year's truncated season (Mon).

CHICAGO

Ravinia Festival: Misha Dichter piano recital. Schubert, Liszt (Mon). Cho-Liang Lin violin; Frederick Zlotkin, cello. Misha Dichter, piano. Grieg, Rachmaninov, Dvorak (Wed); Chicago Symphony. Edo de Waart conducting, Stephen Hough piano. Dvorak, Brahms (Thur). Highland Park (728 4642).

The Dancing Years/Norwich

Antony Thorncroft

A tangled web of intrigue involving an abandoned production of *Carousel*, the Ashcroft Theatre, Croydon, and the Arts Council threatened to leave the *Theatre Royal* in Norwich dark these next few weeks.

To keep the house lights on the management has taken a deep breath and spent freely on the most lavish production of an Ivor Novello operetta to be mounted in decades.

The Dancing Years is a modest triumph. Quite rightly it is played straight, the cast allowing itself one brief astonished look at the audience when the orchestra pipes up out of the clear blue of a Tirolean morning. So while at first glance the tale of broken hearts in Old Vienna, with a chorus dressed up as chocolate soldiers when not sporting *lederhosen*, looks like a candidate for the ham factory gradually Novello's dramatic skills, backed up by melodies which can be as often plaintive as they are insubstantial, draws you into the awful misfortunes of Rudi, the aspiring composer of operettas, and Maria, the established soprano who discovers him.

For Novello knew that you can't beat an unhappy ending and it is the thread of real tragedy in the plot overrides the occasional flap of the scenery; a quite dreadful second act finale from the chorus; and some of the noisiest scene shifting in the modern theatre during the emotional "Can it be you? After all these years" scene.

The production is also blessed with fine principals. Robert Swann, although weighed down with a depressing wig and lines like "yesterday was important because it was yesterday; today is today," is a noble Rudi, who comes into his own when he shakes off cocky youth (and the wig) for unhappy success. Gillian Humphries manages to seem a human being through all the brie hats and fussy others.

What with living in sin; illegitimacy; cries of despair and stifled tears this is a much more dramatic work than Novello's reputation promises. He wrote *The Dancing Years* in dark times for the world a sombre note adds sc dignity to the daftness. If want to you can laugh at li like "quite, quite, perfe delivered in stilted staccato at a chorus that rollicks singing "Let's be gay"; but the end the eyes prickle. T is a serious stab at important British mus which has given audiec much pleasure.

Gerry Tebbutt directs nea Eileen Bell and Tracy Col are worth mentioning, and chorus and the band grow confidence.

Sotheby's sponsorship plans

Antony Thorncroft

Arts sponsorship has ridden out the recession in better shape than might have been anticipated, with companies encouraged by the Government, increasingly interested in this comparatively inexpensive way of both gaining prestige and goodwill and exploiting a marketing and PR opportunity.

Sotheby's, which makes its profits from dealing in works of art, has always done its duty with some modest sponsorship. Its budget is around £50,000 a year and its activities have recently taken a new direction. In short it is giving of its time and expertise as much as cash—and also getting involved in areas where there could be a commercial gain for the company.

Its major project, currently touring the country, is Artist Potters Now, in which 20 leading potters have the chance to sell their wares in art galleries and museums throughout the UK. Sotheby's has paid for the catalogues and the poster and when the tour ends, at its own salerooms next summer, it will organise an auction of works by the artists involved. This should create a new market and bring business to Sotheby's in the future. Currently the show is at the Museum of Oxford.

In a similar vein Sotheby's sponsored an exhibition of prints by Howard Hodgkin at the Bath Festival. Here again there is the chance that the artist's work will be more actively traded at Sotheby's sales of modern art.

A future project is to prepare a catalogue of the fine ceramics collection at Carlisle Museum. A catalogue is an expensive venture, so to finance it Sotheby's is organising an evening in the City at which its experts dispense advice to paying visitors. The cash raised goes towards the catalogue, along with the knowledge of Sotheby's ceramics staff.

Stimulating new collecting areas is one obvious reason for sponsorship: maintaining good relations with owners of important works is another. Sotheby's is sponsoring an exhibition of Grosvenor family treasures at the Eaton Estate, near Chester, from August 4-19.

The collection of the Duke of Westminster is rarely seen by the public but in order to raise money for the NSPCC Centenary Appeal, in which he is much involved, the Duke is putting on display paintings by Rembrandt, Velasquez, Gainsborough, Stubbs and more, plus furniture, clocks, and marbles.

Here again developing good relations with an important collection close by its provin auction house at Chester is intelligent sponsorship. Sotheby's may have a small budget but involving its experts in activities which intrigue them, stimulating new arts, and cementing contacts, is a most worthwhile investment.

Extended run for Lucie's satire

Progress, Doug Lucie's satirical comedy about trendy semores has sold out for its at the Bush Theatre and been extended for three w It will now finish on Augus

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Tedious hiccup in Strasbourg

THE European parliament's decision to block the payment of Britain's 1983 budget rebate is tiresome, legally debatable, and politically unreasonable; it does not at this stage call for any escalatory riposte from the British Government. What is slightly worrying is the implication that the parliament does not yet accept that there must be a radical re-orientation of the Community's budgetary priorities.

This is a new parliament, elected on a low turn-out; it is not surprising that it should seek to draw attention to itself by asserting such little power as it has over the Community budget. Whether this new parliament should consider itself constitutionally entitled to overturn s decision effectively taken by its predecessor is another question.

It is in any case politically indefensible that this parliament should dream up yet another pretext for blocking the British budget rebate. The previous parliament made payment conditional on a settlement of the Stuttgart package; conditional, in other words, on British agreement to an increase in the Community's financial resources. This condition was fulfilled at Fontainebleau; but now the parliament is making a new condition, in effect that Britain should concede at the breaking of the Rome Treaty, in order to find extra finance for the Community's over-spend on agriculture.

The Rome Treaty admits of no ifs and buts on the question: the Community is not allowed to run a budget deficit. The other member states have recklessly pursued spending policies, notably on agriculture, in total disregard of the financial consequences. Now that these consequences are about to manifest themselves in the shape of bankruptcy, they want the hat passed round. Why they should ever have imagined that the British Government, which has long castigated the Community's wastefulness, would now cheerfully contribute any additional sums demanded by Brussels, is hard to fathom.

Contributions

On the other hand, it is clear that the legal arguments are only the sheen on the surface of the budget quarrel. Below them lurks a narrow conflict of national interests; while at the bottom lies the fundamental question of whether the Community really will mend its budgetary ways, and if so, to what extent.

Under the Fontainebleu agreement, Britain is entitled to a fixed budgetary rebate of 1bn Ecu this year, but a proportional rebate of 66 per cent in future years; therefore Britain has an obvious national interest in minimising any additional contributions in 1984, even if this is achieved by postponing some of this year's expenditures into 1985.

The formal British position, that the budget shortfall can be eliminated entirely by savings or postponements, is probably not sustainable either rationally or politically. As a result of British obstinacy, supported in part by West Germany, the Netherlands and France, the projected shortfall has shrunk by half; but even the economy-minded member states must accept that they participated in the decisions which led to this wretched situation, and that part of the short-fall attributable to this year's tentative steps towards reform of the farm policy.

Flexibility

In other words, the latest hiccup in a long-running saga is not really about the British rebate, but about whether all the member states are prepared to take a much tougher grip on Community spending in the future. That issue will come to a head in September, when renewed argument over this year's shortfall will coincide with renewed debate on the rules governing future budgets.

If the governments agree on really tight rules for future budgets, such policy decisions are determined in the light of the financial consequences rather than the other way round, and such that agriculture gets a steadily declining share of the whole, then there will be a strong case for flexibility over this year's extravagance. And since genuine savings (as opposed to deferred expenditure) may take time to accomplish, there would also be a strong case for bringing forward the legal implementation of the increase in the Community's financial resources, from the start of 1986 to the latter part of next year.

But if the other governments refuse real constraints on future extravagance, last week's hiccup could turn, by the end of the year, into a crisis jeopardising the Fontainebleau package as a whole.

Value for money in Whitehall

THE GOVERNMENT'S progress report on its Financial Management Initiative (FMI), published last week, should provide excellent quarry for scriptwriters of the Yes Minister TV series. It is peppered with phrases like "proposing to produce plans focusing on 1985-86," with "useful thrusts designed to enhance the existing resource allocation and control systems," with "main aims and objectives" being "clarified and articulated" and with "detailed objectives . . . likely to take the form of general aims of long-term validity."

Sometimes it lapses into plain English. The fact that Whitehall spent some £20m on the FMI in the last financial year is certainly plain enough.

But few departments have made any effort to describe the benefits of the FMI, either in terms of money saved or of improved service to the public or to ministers.

Certain policy departments—those with no direct responsibility for running a public service—have obviously been stretched to find any improvement at all in their financial management. They have simply tacked down a general policy such as "raising educational standards," covered it with verbiage and submitted it for the White Paper in the hope that it would pass muster.

All of this is a pity. Better management is long overdue in Whitehall and the launch of the FMI in 1982 was a welcome move. What is more, the sloppy presentation in this latest White Paper tends to camouflage the worthwhile steps that have been taken by some departments.

Biggest strides

Line managers in departments like Health and Social Security are being given much greater responsibility for their own budgets; and some will soon be allowed to put in estimates and bids for the money they need; management information systems are being set up—in the case of the Home Office, for example, the system will be used to help discover whether the police are making the best use of their manpower and their equipment; more management training courses are being introduced; greater use is being made of computers; and there are cautious plans to pay some civil servants incentive bonuses.

Yet it is noteworthy that the biggest strides seem to have been taken in those departments which have direct, day-to-day executive responsibilities. One is the Department of Health and Social Security, which runs a network of local social security offices and which reckons it saved some £8m last year as a result of the FMI. Another is the Ministry of Defence, which seems to have given more thought than most to decentralised budgeting; it has also streamlined its top management.

Inadequacies

The FMI seems to have been taken much less seriously in those departments whose chief role is policy advice and which merely have to manage—or mismanage—themselves. The White Paper has lumped executive departments and pure policy departments together. As a result, some real achievements have been masked and some real inadequacies have been covered up. The next progress report on the FMI should draw a sharper distinction between the two types of department. Apart from anything else, different criteria for improvements in performance and different approaches to management are probably needed.

All departments should also start trying to quantify their achievements under the FMI. Ministers might argue that one of the main aims of the FMI is to improve standards of service to the customer—whether he be the Secretary of State or a member of the public—rather than to cut costs.

The argument is a fair one. But there is need for evidence that standards of service are being improved. Admittedly the FMI has been going for little more than a year and it is early days yet. But the White Paper gives no hint that Whitehall is planning to measure the benefits of the FMI in the future. Most private sector companies would expect some return on an outlay of £20m—even if saving money were not the prime objective.

Continental Illinois rescue

Questions that are only just beginning

Stewart Fleming in Washington and **William Hall** in New York on the biggest bail-out in U.S. banking history

MR WILLIAM ISAAC
FDIC chairman

MR JOHN SWEARINGEN
Continental's new chairman

ANY HOPES which U.S. bank regulators harboured that last Thursday's $4.5bn rescue package for Continental Illinois, the troubled Chicago bank, would end their ordeal of the past two months have been quickly dashed.

Within hours of the announcement of the "permanent assistance programme" for Continental Illinois National Bank and Trust Company, Representative Fernand St Germain, the powerful chairman of the House Banking Committee, issued a sharp reminder that the repercussions from the biggest bank bail-out in U.S. history are only just beginning.

The massive rescue, mounted to protect the safety and soundness of the banking system, is a significant departure from the Reagan Administration's sink-or-swim economic philosophies and is clearly embarrassing for it. A good Democrat like Mr St Germain is losing no time exploiting this.

"The rescue dwarfs the combined guarantees and outlays of the Federal Government in the Lockheed, Chrysler and New York City bail-outs," said Mr St Germain, adding, for good measure, that the handling of the whole affair "raises the greatest array of questions in the history of the federal bank regulatory system."

Mr St Germain and his colleagues are planning to hold public hearings in early September, a few weeks ahead of November's presidential elections, and the Democrats will be anxious to make as much political capital as they can out of the way the authorities have handled the run on Continental Illinois. But beneath the electoral dogfight which seems bound to erupt lie a number of important questions, which are likely to haunt U.S. bank regulators for years to come.

The first, and most obvious, is whether the rescue package will work. Mr William Isaac, chairman of the Federal Deposit Insurance Corporation (FDIC), which masterminded the rescue, says Continental now ranks as one of the world's strongest banks. But will it be able to hang on to its best staff and customers as it shrinks down to a size where it can fund itself normally?

Second, the rescue has raised questions about the regulators' efforts to introduce more market discipline into the financial system. Continental's share-holders and management are paying a high price for the rescue but the bank's depositors, investors in its commercial paper and its long-term debt have got off scot-free. With this sort of Government protection what is to stop other major U.S. money centre banks exploiting their capital and deposit base to grow faster than their smaller rivals?

Finally, the regulators' handling of Continental's problems seems bound to come under tough scrutiny. It is over two years since the collapse of Penn Square Bank, whose problems in energy lending alerted the world to Continental's related difficulties. Could the regulators have acted earlier, and more decisively, to contain the bank's mounting difficulties which had grown to such an extent by early May that, for a few nervous days, they threatened to precipitate a major international financial crisis?

The initial reaction of the banking community to the rescue package is that if this does not do the trick, then Continental Illinois might as well be liquidated. The combination of a $1bn FDIC capital injection and the purchase of the bank's present loans will transform Continental into a $30bn bank (down from $42bn at the end of 1983) with $2.2bn of capital and a capital assets ratio of around 7 per cent. It *will* have virtually no non-performing loans to drag down its earnings and a tough new management team untainted by the bank's earlier problems.

The appointments of the 65-year-old John Swearingen as chairman of Continental Illinois Corporation (the holding company) and the 57-year-old Bill Ogden as chairman of Continental Bank, the main subsidiary, have been well received in the U.S. business and financial community. Mr Swearingen is particularly highly regarded, having built the Chicago-based Standard Oil Company (Indiana) into one of the most profitable giants in the oil industry during his 23 years as chief executive.

As he says, Mr Swearingen does not have to prove himself to anybody. He took the job on because "it is impossible to overstate the importance to the city of Chicago and the country's banking system of getting the Continental back on its feet."

He has promised the regulators that he will stay for three years and stressed to them that he has no interest in taking on the role of undertaker. "I am expecting that we will have a viable, highly competitive and well respected bank," says Mr Swearingen.

Mr Ogden, who stepped down as vice-chairman and chief financial officer of Chase Manhattan last year, is also well regarded. "They are operationally and financially secure; they are good names," said one former bank regulator last week.

Mr Swearingen and Mr Ogden's prime task is to coax Continental back into profit and prove to the world that the bank can once again fund itself normally without the help of the $12bn of support funds it was relying on last week. The most difficult task the new men face is determining the size of bank which they believe can be viable over the long term. Many analysts believe that Continental may have to shrink its balance sheet to $25bn, or even $15bn, before it can resume funding itself normally.

If this is the case, then the shrunken balance sheet will not be able to support a staff of 11,000, and the bank will have difficulty holding onto its skilled professional employees. Despite the arm's length relationship with the FDIC, Continental is effectively Government-owned for the time being and this must have some influence on its ability to compete aggressively in the market and pay salaries which will attract top calibre bankers.

Finally, uncertainty over the FDIC's long-term stake in Continental is likely to prey on staff morale. The FDIC has said it wants to dispose of its stake as soon as possible and has given no guarantee that it wants Continental to remain as an independent Chicago bank.

In their efforts to put Continental back on a sound footing, the U.S. bank regulators have blundered into a legal minefield and they have a long way to go before they reach safety.

By acting to bail out Continental the Administration has laid itself open to the charge that it is no different from its Democratic rivals when it comes to rescuing giant corporations while leaving small businesses to fend for themselves. It is no wonder, therefore, that the White House has been at pains to put as much distance between itself and Continental as possible, a strategy which reached near-farce last week as Mr Donald Regan, the Treasury Secretary, publicly criticised the rescue plan that some of his subordinates and colleagues had agreed upon.

In addition to questioning whether the FDIC had the legal power to undertake the Continental rescue, Mr Regan was particularly critical that the rescue was structured so as to funnel assistance through the bank holding company, rather than directly to the bank. As a result investors in the holding company's paper are much less likely to lose any of their money. In spite of Mr Regan's hostile comments, the FDIC stuck to its ground, arguing that it had no alternative. Eventually the Treasury appears to have agreed.

The bank regulators have gone to great pains to prove that they are not "nationalising" Continental Illinois. The terms of the deal give the Government, which will have through the FDIC an option on 80 per cent of the equity, no votes and no board representation. It is the FDIC's own money, raised through its insurance premiums, that is being injected into Continental, not taxpayers' money.

The rescue raises long-term issues about the soundness of the U.S. banking system

The FDIC has tried to pretend that it is treating all involved the same as it would if Continental had failed. The bank's top management has been summarily replaced and shareholders stand to lose nearly all their money. But beyond that the treatment has been less than fair.

Mr Isaac says he shares Donald Regan's concern about the treatment of the holders of Continental's paper, but there was no real alternative. The covenants were so strict that if the regulators had structured the deal any differently they would have laid themselves open to lengthy courtroom battles.

Nevertheless, Mr Isaac argues that U.S. bank regulators need to consider how such bond holders should be treated in future crises so that investors in the paper of bank holding companies are more fully exposed to market discipline.

An equally important issue raised by the Continental rescue is the FDIC's unprecedented action of guaranteeing all of Continental's debts and deposits. Starting with the collapse of Penn Square Bank in July 1982, the FDIC has been trying to introduce more market discipline into the system of deposit insurance by allowing some big depositors in failed banks to lose some of their money. The run on Continental Illinois led to the abandonment of this policy in the interests of maintaining general stability in the financial system.

Mr Issac says that some 2,100 small banks had over $6bn on deposit with Continental Illinois and the regulators would have faced scores of bank failures if they had handled the situation in a different way. That said, the run on Continental Illinois has hastened the need for a fundamental overhaul of the U.S. deposit insurance system.

Aside from the impact on official thinking in specific areas like deposit insurance, the rescue of Continental Illinois raises long-term issues about the safety and soundness, and therefore the regulation and structure, of the U.S. banking system.

The Reagan Administration has been seeking to push the deregulation process further. But the near collapse of Continental will force Congress to look again at whether untrammelled deregulation is such a blessing. Mr St Germain has already introduced legislation into Congress which would virtually halt deregulation. In the Senate, a watered-down bill, sponsored by Senator Jake Garn, is seeking to push the process further, but not as far or as fast as seemed possible before the Continental crisis.

Both sides are using Continental's problems to support their case. Those favouring deregulation are saying if Continental had not been tied down by restrictive Illinois laws it would have survived the threat from its problem loans. The opposing view is that the bank expanded too fast, given the legal framework within which it operated, and that its problems point up the need for tighter controls on the banks. It is perhaps no coincidence that earlier this month the regulators raised the required primary capital ratios of the biggest U.S. banks from 5 per cent to 5½ per cent. This will slow the banks' growth.

The rescue of Continental Illinois is likely to confuse further the debate about the future direction of U.S. banking regulation. What is in no doubt, however, is that the near-failure of this once proud bank has sent a shockwave through the top echelons of America's bankers and the offices of U.S. bank regulators.

As one top U.S. banker put it last week, his institution is now focussing much more sharply on "how to avoid catching the disease"—the disease being a run on deposits. Greater emphasis is being placed on capital adequacy and sound financial ratios even without regulatory pressure. If they have proved nothing else, the regulators have reminded America's senior bank executives that heads will roll, however unfairly, when a big bank gets into trouble.

Finally, U.S. bank regulators are re-examining their own role in the Continental affair. Should they have acted more quickly to force Continental to put its house in order before events got out of control? Do they need to develop clearer policy guidelines for future rescue operations? In particular, should they have recognised earlier on that finding a merger partner for a big bank with Continental's confidence problems would be all but impossible, and then implemented a swift, Federally-backed rescue?

The questions raised by the rescue of the Continental Bank will not disappear and the regulators' response will have serious implications for the health and resilience of the U.S. banking system.

Men and Matters

"How the hell can we judge the pole vaulters if they keep vanishing into the smog?"

While stocks last . . .

FOR $20,000 it is still possible to buy a new De Lorean car in the U.S.

Consolidated International, a liquidation company in Columbus, Ohio, bought 1,094 of the gull-winged sports cars from the UK receiver in 1982 and another 649 from the De Lorean Motor Company, the UK parent, after the ill-fated Northern Ireland venture failed, and is advertising the last few remaining De Loreans in the U.S. Press.

The ads suggest that potential buyers should "act now" before Consolidated sells out. Apparently, there are just 70 cars left.

The cars, which come with all the usual luxury trimmings, but without power seats or cruise control, carry a 12-month or 120,000-mile warranty. For $500 or $600 *more the company*, run by Mr Sol Shenk, who pulled out of a deal to buy the Belfast plant and restart production, will deliver the car to New York.

In November, 1982, 11 of the grey stainless steel cars were sold in the UK by the receiver at auction for £141,000 or an average of about £12,818 each. At today's depressed sterling rates that is around $16,700 a car.

Back page

Who says yesterday's newspapers are only good for wrapping fish and chips? Richard Heron has built a thriving business out of them.

Glasgow-born Heron claims to have the largest private stock of original newspapers in the UK—some 400,000 issues, many of them in several editions, for every day between 1870 and 1980.

And his gallery in London's Covent Garden is also lined with much rarer editions of 18th century newspapers, and 16th and 17th century news books.

There are Dutch and German reports of the destruction of the Spanish Armada; a full contemporary account of the execution of Charles I; The London Gazette's report on the Great Fire of London—framed photocopies of which now adorn Fuller Smith and Turner's new pub at the Monument.

Heron has been fascinated by newspapers since he was a boy—after a spell in the City, he ran a chain of newsagents—and has been collecting for years.

But it is only in the last four to five years, during which he acquired the archives of W. H. Smith, the Daily Express and the London Evening News, that Heron has been catering for a growing public demand for copies of newspapers for birthdates.

His company, The Anniversary Press, is now also handling an increasing number of requests from companies for newspapers recording significant moments in their history or from those who are just nostalagic for the good old days—like August 25, 1939 when the Financial News headlines ran: Crisis Measures in the City—Bank Rate raised to 4 per cent.

Snakes alive

It is still all right to wear a live cat instead of a dead mink around the neck, use live goldfish as earrings or take a rat for a walk on a chain—but boa constrictors are definitely banned in Fall River, Massachusetts.

The more outrageous dressers in the U.S. are out to shock by wearing live animals. The more frightening the better, so naturally snakes are a hot, or stone cold, favourite.

But not everyone is happy about the new high fashion. The good people of Falls River took exception after several local residents complained about being scared by young men wearing boas around their necks.

As a result, the city fathers passed a local ordinance banning the wearing of snakes in public. It is, of course, still possible to cuddle up to a snake indoors.

Kiss and tell

There were bugs and kisses in the Commons as Tory and Labour MPs recently suspended hostilities to beat off a rebellion on the Trade Union Bill by right-wing Tories. The truce gave the Government a record majority of 423 and ensured the survival of its compromise proposals on postal ballots.

But did Mrs Thatcher approve of the unusual fraternising in the division lobbies? She was a startled onlooker as David Trippier, her minister for small businesses, was hugged and kissed by Clare Short, feminist Labour left-winger for Birmingham Ladywood.

After that, Trippier found himself on the receiving end of another kiss, from Dr Oonagh McDonald, Labour MP for Thurrock.

Everything soon became clear. Ms Short was expressing her gratitude for Trippier's decision to offer special help to a small company in her constituency. And Dr McDonald? She joined in just for fun.

Please, teacher

ABC, the U.S. television channel, took the opportunity of the lengthy and repetitive introductory ceremonies at the Los Angeles Olympics, to give its viewers an extended geography lesson.

Thus viewers learned, for example, that China is approximately the same size as the U.S. itself, France four-fifths the size of Texas, and West Germany about as large as Wyoming.

Britain emerged on a par with *the state of Oregon*—which, incidentally, has a population of about 2m. But how to deal with the smaller countries on display?

Nothing daunted, the ABC researchers simply described Andorra as "half the size of New York City." Bermuda emerged as one-third as large as Washington DC.

And Monaco was presented as "half the size of Central Park"—the New York joggers' paradise.

Nessy's back

And just to prove that the Silly Season is upon us again, there is news of the Loch Ness Monster. Seeing that a new search is to be made, Ladbroke's is offering odds of 100-1 against a monster's being discovered.

The bet is open for a period of one year. Any monster found must be at least 30 feet in length, previously unknown in Britain and authenticated by the British Museum. Experienced gamblers advise punters to stick to the St Leger.

Observer

SELLAFIELD NUCLEAR PLANT

The high cost of storing waste

By David Fishlock, Science Editor

CAN SELLAFIELD be forced to eat all its own radio-active wastes? The Government is currently considering this question in light of last week's report by Sir Douglas Black on leukaemia in children living close to the Cumbrian nuclear factory, and another report from British Nuclear Fuels proposing ways in which it can greatly reduce radio-active discharges in the next 10 years.

Sellafield, to quote the Black report, "contains a nuclear operation which is unique in the United Kingdom in terms of scale and complexity." Far from abandoning its activities—the Black report gives little comfort to those who want it to do so—the Government is aware that its dominant activity will continue for longer than was previously expected.

This is the reprocessing of nuclear fuel from the Magnox nuclear stations. The average book life of these first-generation reactors has just been formally extended from 20 to 30 years. That means fuel processing, at a rate of 1,000-1,500 tonnes a year, will continue into the next century.

In addition, the factory stores the used fuel from second-generation reactors in Britain and abroad, to await completion of a new reprocessing plant for this fuel. It stores used fuel from the Navy's nuclear submarines, its capital ships of the 1980s, which some day will need a reprocessing plant of its own.

Sellafield also makes plutonium fuel for Britain's 250 Mw fast "breeder" reactor and refines plutonium for nuclear weapons. It is custodian of Britain's plutonium stockpile — currently about 20 tonnes. In addition, it has been designated by the Government as the interim store, for 50-100 years, for ingots of highly radio-active glass made from its most deadly reprocessing effluents. Eventually, when cool, these ingots will be buried deep in the ground.

In short, Sellafield, as the sketch shows, is the hub of all activities of the nuclear industry in Britain other than the medical ones.

"We've been looking continuously at getting our discharges down but we've certainly sharpened our pencils over the last few months," says Mr Con Allday, chairman and chief executive of British Nuclear Fuels. Sellafield is BNFL's biggest factory and biggest source of revenue, earning about £350m last year.

What drove Mr Allday's engineers to sharpen their pencils was the incident last November when a discharge of radio-active effluent to sea washed back to contaminate Cumbria's beaches. As a result, they have offered the Government a number of options for further investment in radio-active effluent treatment at Sellafield.

The options range from an expenditure of around £100m to about £1.5bn at current prices. They are not designed to save lives — the Black report confirms the company's unwavering claim that it operates well within internationally accepted limits on discharges.

The extra investment would be spent on making Sellafield "socially acceptable," in Mr Allday's phrase. The target, in terms of future levels of radio-active discharges to sea and air, will be set by the Government. The cost will fall mainly on the electricity industries at home and abroad.

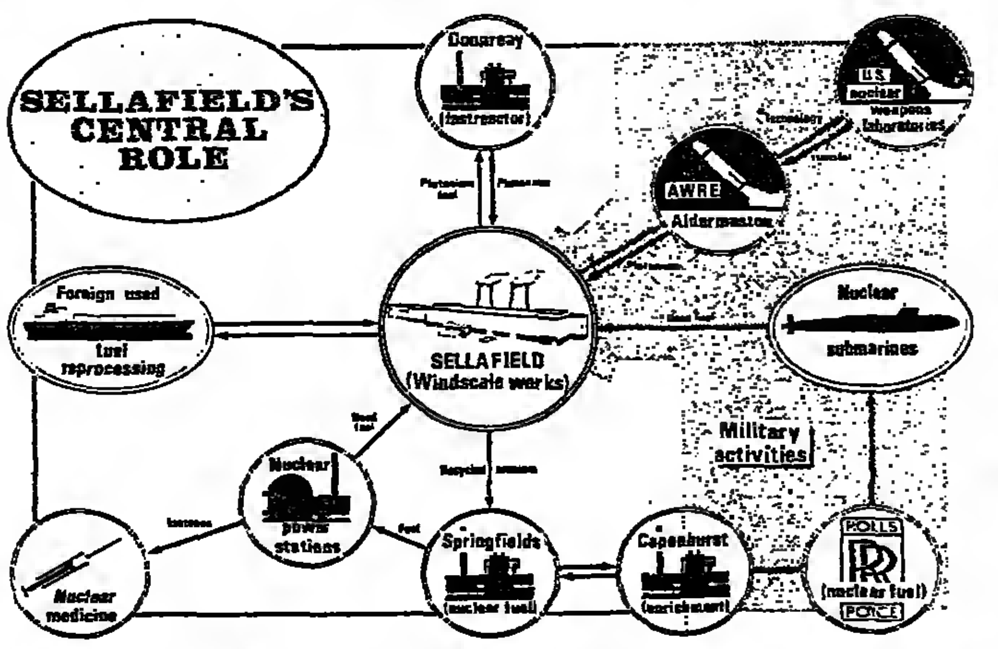
But the options are not simply a matter of the more money spent, the less radioactivity discharged. If it is not discharged it must be concentrated and stored somewhere, either at Sellafield or in a new "nuclear dustbin" in Britain.

As Mr Trevor Moulding, head of chemical plants at Sellafield, sees the challenge, "zero discharge" is an unrealistic goal. "But we don't want to be worse than anyone else."

Sellafield, nearly 40 years old as a nuclear factory, is acutely conscious of being compared unfavourably for its housekeeping with the corresponding factory of Cogema at Cap la Hague near Cherbourg, built in the 1970s.

Since the late 1970s, Sellafield one of Britain's biggest industrial investments, has undergone a facelift. Some 3,000 to 4,000 of the 10,000 employed there are working for contractors on reconstruction. BNFL spent nearly £200m at the factory last year and expects the rate of investment to rise to £300m a year if the 10-year, £3.5bn investment programme is to stay on schedule.

Much of the new construction is wholly or partly concerned with radio-active effluent problems. The site ion exchange effluent plant (Sixep), for example, is a six-storey building the size of a football pitch, which will take almost all the activity out of the water used in ponds storing used nuclear



fuel, before it is discharged to sea.

By any standards, Sixep is "a pretty complex piece of chemical engineering." Mr Moulding admits. Designed for remote operation, the £110m plant contains 40 kilometres of stainless steel pipework and 1,600 instrument loops. It has been under construction for over four years.

Sixep will treat its first effluent later this year. Its complexity and novel technology leads Sellafield to expect a long learning curve. High availability is not forecast before 1988, when it will be cleaning up to 4,000 tonnes of water a day.

Also nearing completion as a major investment is a technology more familiar to the factory. Like Sixep, the new £15m evaporator was begun in the late 1970s as a means for concentrating fairly radio-active effluents from the Magnox reprocessing operations. As construction progressed, its role in cleaning up factory effluent expanded, delaying completion until later this year.

The new evaporator will concentrate medium-strength radio-active liquors by a factor of about 50, allowing them to be stored rather than discharged to sea. Sellafield expects it to be performing close to full capacity next year.

The evaporator will also concentrate effluent from the plutonium "finishing" plant, a new installation which converts the plutonium nitrate solution recovered from reprocessing into plutonium oxide fuel for the Dounray fast reactor. Even without the evaporator, this new plant — based on French technology also used at Cap la Hague—has already brought radio-active discharges down dramatically, Mr Moulding says.

Another major investment in effluent control, about £200m, is committed to vitrifying highly radio-active reprocessing effluent. Again BNFL has adopted French technology and is adapting it to the particular liquors produced at Sellafield.

In a biscuit-coloured building on high ground at the edge of the factory, Mr Bill Smith is operating a full-scale but "cold" demonstration of the continuous glassmaking process that turns a hot acid effluent into a stream of jet-black glass at 1,000 degrees C. His aim is to perfect every detail of the operation, maintenance and replacement of a complex chemical plant, entirely by remote control, before the first tranche of the "hot" facility is ready in 1987.

The glassmaking operation is designed to "eat its own tail," as Mr Smith puts it, leaving no radioactive emissions or effluents to be discharged.

These commitments to a cleaner factory, costing about £900m, were all made before the discharge which contaminated Cumbria's beaches last November. According to Trevor Moulding, the 1983 figures for Sellafield discharges to sea are about 400 curies of alpha radiation and 70,000 curies of beta-gamma radiation. Currently, the Department of the Environment permits the factory to discharge up to 6,000 curies of alpha and up to 300,000 curies of beta-gamma. "We are operating well within the current authorisations," he says.

The new effluent technology is expected to get the discharges much lower, down to about 200 alpha and 25,000 beta-gamma. With Sixep at peak performance and other planned changes, the target for the late 1980s is 150 alpha and 15,000 beta-gamma.

Sellafield's authorised discharges have always been tailored to what BNFL could reasonably be expected to achieve within the internationally-permitted levels. BNFL now confidently expects the Government to lower its limits in response to public pressure.

How much and how soon are the crucial questions. But the Black report foreshadows the pressure. Recommendation 9 reads: "There should be a critical review of the necessity for discharegs of alpha as well as beta-gamma emitters in discharges from BNFL Sellafield site to be significantly in excess of those from similar plants in other countries."

Cogema's reprocessing factory at Cap la Hague last year reported discharges of 14 curies of alpha and 32,000 curies of beta-gamma. The company has undertaken to keep discharges down to these levels as its reprocessing activities continue to expand.

Once Magnox reprocessing ends at Sellafield, and BNFL is using only its £1.3bn thermal oxide reprocessing plant (Thorp), contruction of which has just started, discharges should fall dramatically, says Dr Jack Clarke, BNFL's chief reprocessing engineer. He estimates that the factory will then be discharging as little as 5 curies of alpha and 2,000 curies of beta-gamma. But that date recedes with any extension in working life of the Magnox reactors.

So the BNFL study just submitted to the Environment Department offers several options for further investment in Magnox reprocessing. These range from matching the French figures by the early 1990s to achieving "near-zero" discharges.

For example, it believes Sellafield could match the Cogema figures for a further investment of about £100m-£200m. For this price the factory would buy some enhancement of its new Sixep facility (about £30m) and much new pipework to recycle waste streams.

At the other end of the scale of options BNFL has presented to the Government a scheme for a giant evaporator that dwarfs the one now being commissioned. This evaporator would need to boil down some 7,000 tonnes of effluent a day, Dr Clarke says. He warns that it would need its own power station.

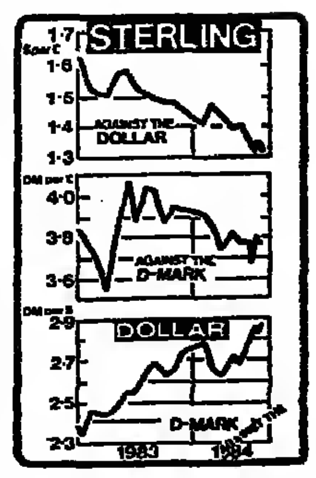
Such a scheme, at a cost of perhaps £1.5bn, could bring Sellafield close to zero discharges of radio-activity into the Irish Sea. There will be those who, by adherence to the principle of using the best available technology, will argue that nothing less will do.

Unfortunately, it will not be an end to the problem. The giant evaporator will boil Sellafield's effluents to a sludge that can be encapsulated in concrete. But Britain will then need to find a big burial ground, at least 200 metres deep, for all the radio-active concrete.

Lombard

Coffee house views not all

By Samuel Brittan



IF THERE is any wisdom in markets, it resides in what they do rather than in what participants say.

Two recent examples relate to U.S. monetary policy and exchange rates. Throughout this year there has been speculation about the Fed becoming more or less restrictive. Yet its own statements made clear that it has reverted to a qualified money supply policy and is leaving the markets to determine interest rates within quite wide ranges. Many market commentators find it difficult to grasp, a policy stated that way and interpret each short-term interest rise as an expression of Fed policy.

In his Congressional statement last week Paul Volcker reaffirmed the target monetary ranges for this year. For M1 and M2 actual monetary growth is well within the guidelines. Bank credit and M3 are above, but these are less easily controlled by the Fed; and Mr Volcker simply issued a warning shot by reducing the top end of his M1 and M2 ranges for 1985.

In more technical terms the Fed chairman also confirmed that "pressures on bank reserve positions" had not changed since they were tightened in very early spring, apart from special help to Continental Illinois.

Nevertheless in the context of a boom unrivalled since Korea the no change policy is news. U.S. national income has been growing in money terms over the last year at about 12 per cent. Unless one believes that real growth can continue at over 7 per cent, the growth of U.S. national income must come down too if inflation is not to take off. How can nominal GDP grow more slowly with a virtually unchanged monetary objective? Only if the recent rise in velocity is treated as exceptional and a fall back to trend is expected in future. This is a high-risk strategy — even though the Fed has little practical option.

The second misconception is the common habit of measuring currencies against the dollar. In recent weeks one could take off at London Airport reading that sterling had reached a new low, only to arrive at Milan to learn that the lira had done the same. All that had happened of course was that the dollar had risen further.

Contrary to popular belief sterling was not weak in April May and most of June. A very illuminating Greenwel Monetary Bulletin for July includes a graph of the effec tive or trade weighted sterling rate with the dollar componen omitted. An alternative pro cedure is to monitor sterling against the D-mark.

Either way sterling did no begin to weaken until the en of June when the Bank o England issued its ill-fated state ment about there being n domestic need for a rise i interest rates. (We have neve been told whether the Chan cellor authorised this or not) This was followed by a smal rise in the German discount rat suggesting that Germany, unlik the UK, was following interes rates up. By the time UK bas rates rose by ½ of a per cent, thi was dismissed as inadequat The following week saw a full per cent rise in sterling M3 fo which the Bank seemed ill-pre pared; and there was a doc strike just to cap it all.

We are left with many que tions. Would markets have bee quite so pessimistic if thei starting point had been som effective measure of sterling value rather than that for th dollar rate? Another question whether uncoupling is require not merely from the dollar bu from the coffee house view which have an undue influenc on UK policy.

Letters to the Editor

Mysterious oil marketing

From the Executive Secretary, Federation of Petroleum Suppliers

Sir,—As widely predicted, Esso led the dance in the latest attempt by the multi-national oil oligopoly to screw the price of petroleum products higher—despite a worldwide glut, and notwithstanding the theory of free competitive markets.

What has been less publicised is a concurrent round of increases in the price of heating oils and diesel fuel, when the Rotterdam market is on its way down. The mysteries of major oil company marketing far surpass the tiny minds of puny mortals. But some inferences may be drawn.

The motorist is—no doubt deservedly—being subsidised by other classes of oil user. Within those other classes, there is substantial market distortion. Let the average user of Esso gasoil contrast his price with that successfully tendered for this year's 44m litres on contract to the Greater London Council. Reports suggest that the successful tender was in the region of 14.5p/L. Good news for London's hard-pressed ratepayers.

The bonus will, as usual, be mitigated by the increase in wholesale zonal prices which year by year, quite miraculously, appear to follow close on the heels of concluded tenders.

Petrol which, to the motorist, will rise by around 2p/gallon, will rise by more than twice as much to the industrial user. An even greater distortion is expected in comparative Derv pricing—until market forces erode this latest hiccough.

Heaven forbid that we should ever suffer the state regulation of oil prices which drives the French industry to distraction. Maybe, one day, we shall have an administration with both the wit and the will to ensure the transparency of pricing for which Dr Pierre Jungels of Petrofina (UK) has called more than once in your columns.

E. J. Rowson.
Suite 34, First Floor, 500, Manchester Road East, Worsley, Manchester.

Bucket shop flights

From the Press and Public Relations Manager, Finnair UK and Ireland

Sir,—We refer to a travel article by Carla Rapoport (July 14) which states: "The bucket shops also get similar seats from some airlines like Finnair which have empty seats on some legs of their flights."

The Financial Times is carried on daily Finnair services to Helsinki for the convenience of businessmen from the United Kingdom trading in Finland, and who are 70 per cent of our total *local passenger sales* on the London-Helsinki route.

Finnair would like readers to be informed that agreed tariffs and conditions between the United Kingdom and Finland are maintained by Finnair and our business is conducted in a correct manner for the benefit of our passengers and our appointed agents.

Since publication of this article, we have received numerous telephone calls requesting "bucket shop seats" which we do not market. Finnair writes to make it clear that the source of information relating to the company in this article was incorrect.

Kenneth Campbell,
Finnair,
130, Jermyn Street, SW1.

Names not glad to accept

From Mr M. Hobson

Sir,—Mr Pettitt (July 25) the chief executive of Minet Holdings states that Minet has not done too badly and that the vast majority of names have . . . congratulated it on the resolution of a massive problem.

At the time of his letter with the offer extended and therefore not unconditional there was no resolution of a problem. Names did not gladly accept the offer. They did it with the very greatest of reluctance and many in anger albeit perhaps tempered with relief. They did it in great ignorance of the facts in an unreasonably tight time-frame despite that Minet had been considering the matter for two years.

The clear and unequivocal responsibility for what Mr *Pettitt describes as a massive* problem is Minet's. It owned the managing agency, substantially profited by it, and was ultimately responsible for the misappropriation of names funds.

In these circumstances Mr Pettitt's shareholders should do more than endorse his handling of the situation, they should congratulate him. I certainly believe that many, if not most of the names, do not.

M. R. Hobson.
5, Grafton Street, W.1.

Utmost good faith

From Mr R. Low

Sir, — Ray Pettit's letter (July 25) is both excellent and reassuring and goes a long way towards restoring the Lloyd's image.

What must, however, be quite *clearly understood* by everyone, but everyone, is that we, who have been *brought up* in insurance, believe in the inviolable doctrine of uberrima fidei — utmost good faith. Unless and until all parties in these sad and sorry affairs are seen to act with that concept uppermost in their minds, criticisms of events at Lloyd's will continue.

I would suggest that the professional demands of that doctrine override responsibilities to shareholders and to this end we shall judge the final outcome, in its broadest sense, of all these affairs. It would, of course, be appalling if Minet's shareholders were to make a profit at the final reckoning.

The Lloyd's community has a long way to go to restore its tarnished image — both of itself and to the profession as a whole. To that end some of us expect all actions and decisions to reflect utmost good faith and nothing else.

R. C. Low
88 Alleyn Road, West Dulwich, SE21

London's docklands future

From the Secretary, Docklands Forum

Sir,—Following Michael Cassell's report (July 23) on the proposed purchase order for docklands I would like to convey the very grave concern felt by local people about the London Docklands Development Corporation's decision compulsorily to purchase 800 acres of publicly owned land in Newham's docklands. This concern centres on the effective removal of control over development from the local borough and residents which the order implies. The LDDC is a non-elected body and has been widely criticised in the three years of its existence for failing to consult and to take into account the *planning* policies of the docklands boroughs.

It is unclear why the LDDC wants compulsority to purchase more land when it already has large areas of land in its ownership which are at present undeveloped. Of the 1,008 acres owned by the LDDC only 225 acres are currently being developed or in use. Therefore local people are interested in the plans which the LDDC has for this further land, if any. We feel that it would be irresponsible in planning terms for the LDDC to *acquire land* for which it has no firm proposals. There is concern that the LDDC could be using the purchase order to push through proposals which have encountered substantial local opposition, such as STOLport.

There are at present many initiatives and ideas for these same sites which aim to meet local needs and which have the support of large numbers of docklands residents. These include the People's Plan for the Royal Docks and Greater London Council's offer to buy the north side of the Albert Dock from the Port of London Authority for industrial development. Local people are concerned that these initiatives will be threatened by the use of a compulsory purchase order.

Similarly this could pre-empt the production, and more significantly the implementation of the statutory local plan at present being drawn up by Newham Council. As a result the participation process conducted by the borough and the attempt to give local people some say in the future of their area which this entails becomes meaningless. The implications of this for local democracy are obvious.

Land ownership is an important part of the process of development and carries with it responsibilities to ensure good planning. If ownership is used to impose development on docklands and to pre-empt local *initiatives and democracy* it represents a profound misuse of such power. It is for these reasons that local people will continue to oppose any proposals by the LDDC to acquire *further land in docklands.*

Jim Franklin.
192, Hanbury Street, E1.

Desirable attribute

From the Chairman, ARI Propaflor

Sir,—Sadly, Roy Garner's article (July 16) presents the concept of raised office floors as another innovation from Japan.

Happily, I can report that raised floors suitable for the modern computerised office have been in widespread use in the UK for at least five years. Indeed, their inclusion in new buildings seems to be well above the expected Japanese rate of installation in new offices.

Even better news is the fact that the British market, which is worth around £20m pa already, is largely serviced by British manufacturers working to established standards.

The Orbit report in 1983 warned of obsolescent office accommodation within the present stock of buildings. As if in confirmation of this, estate agents have begun to include raised floors in their listings of desirable attributes for vacant offices.

Perhaps we have been remiss in failing to carry the news to Japan!

R. J. Steel.
Dolroad Industrial Estate, Dallow Road, Luton, Beds.

FINANCIAL TIMES

Monday July 30 1984

Terry Byland on Wall Street

Component sector good in all parts

THE turmoil in last week's Wall Street markets – caused by the Commerce Department's latest estimate of economic growth in the second quarter and the news that the Federal Reserve had not yet tightened credit – began the search for a new category of equity.

The ideal stock for this season is one that will have benefited to the full from the powerful surge in the U.S. economy in the first half of the year, but which will not be hurt too much if the business climate turns harsh towards the end of this year.

The low price earnings ratios on the Detroit car markers, for example, indicate the market's fears that the present boom in the industry could be an early casualty if interest rates rise after the presidential elections in November.

A better way for investors to protect themselves against future shocks, according to stock prices at least, may be to look at the automotive after-market companies. Genuine Parts, which usually stands proxy for the whole after-market industry, as well as Standard Motor Products, Echlin, Snap-on Tools and Sun Electric have all traded strongly into the second quarter reporting season.

In part this reflects a very strong performance in the first quarter, when the industry benefited from low unemployment, rebuilding inventories, increased consumer spending and, of course, booming sales by the motor industry proper.

Profit gains for the first quarter ranged to 27 per cent for Genuine Parts, and 50 per cent for both Snap-on Tools and Standard Motor. It was generally agreed among the Wall Street analysts that the pace could slow in the second quarter – but it is now clear that the stock prices did not suffer. In every case, stocks are still standing firmly at the levels reached in the wake of the first-quarter results, despite a fall of 7 per cent in the Standard and Poor's 400 industrial index. Moreover, p/e ratios of around 10 times projected earnings for fiscal 1984 compare handsomely with the Detroit three.

Stock	Price $	P/E
Standard Motor	16	9
Echlin	22	10
Genuine Parts	27¾	13
Snap-on Tools	30⅜	12
Sun Electric	10⅜	n/a

One reason for the strength of the stocks is that, notwithstanding expectations of a slower second quarter, Wall Street is forecasting earnings gains of 25 per cent to 35 per cent for the full year. With the economy still apparently going strong and unemployment low, the case for a second-quarter slowdown has probably weakened, in which case the year-end results might be even better than expected.

But another major factor is the traditional performance of auto after-market stocks in bad times. Recession elsewhere in industry tends to stimulate self-help among the motorists, who are also more likely to repair their existing cars than buy new ones. Thus, the after-market stocks are seen as the answer to the market's prayer – shares which benefited from the economic recovery and should stand up better than most if the winds blow colder.

This view lies behind some bullish profit forecasts for the sector for 1985. Echlin, the Branford, Connecticut, producer of replacement parts for ignition, fuel and braking systems, seems likely to come off best, in view of its strong position in the truck after-market.

Truck parts accounted for about a quarter of Echlin's total sales of 7.4m in 1983. Mr Walter Schenker, who follows the sector for Bear Stearns, expects Echlin to push profits ahead by 47 per cent to $2.20 a share this year and by a further [illegible] per cent to $2.65 in 1985. On these forecasts, Echlin can be bought on a prospective p/e of under 10.

Similar progress is on the cards for Genuine Parts, based in Atlanta and seller of automotive parts through its 5,000 independent outlets and 350 of its own agents. Profits of $2.35 a share are predicted for the year-end, a gain of 23 per cent, with perhaps a gain of 19 per cent to $2.80 a share next year.

Standard Motor Products leans heavily on its ignition, battery and carburettor products, which sell better in the winter. This may show itself in a slowdown in the second quarter but should not discourage investors.

By 1985, Mr Schenkwer expects to see share earnings of about $2.40, compared with $1.60 last year and an estimated $2 in 1984.

If Mr Paul Volcker and the Commerce Department can be said to have extended the market's sights towards the beginning of next year and beyond, then the auto after-market stocks appear to justify their promise of protection in bad times as well as progress in good.

YAHAD PARTY LEADER IS A KEY PIECE IN POST-ELECTION PUZZLE

Weizman holds coalition stage

BY DAVID LENNON IN TEL AVIV

MR EZER WEIZMAN, whose centrist Yahad Party won three Knesset seats in Israel's recent elections, holds the political stage after the first week of negotiations to try to *form a coalition government*.

Last Monday's elections left the country's two main parties seriously weakened as voters spread their favours among 14 parties and created a complex political puzzle which could take weeks to resolve itself.

Either the ruling right-wing Likud or the opposition Labour Party could theoretically establish a coalition, but they would need Mr Weizman's support if they were to command even a narrow majority in the 120-seat Knesset.

The two main parties are furiously wooing the former Likud Defence Minister who says: "I have many friends in the Likud, but I prefer the political platform of Labour."

Over the weekend the Likud tried to persuade Mr Weizman to forget the disagreement which led to him leaving the Government in 1980, promising him a senior post in government and hinting that he might eventually take over as party leader.

But 61 year-old Mr Weizman, who had hoped to win a larger representation in the Knesset refused to make any commitment preferring to "keep my options open."

He was highly critical of the foreign, defence and economic policies of the outgoing Government during talks on Friday with Mr Yitzhak Shamir, the Prime Minister. One of the architects of the peace agreement with Egypt, he believes that the government is frittering away the chances of peace in the region by unnecessarily hard-line policies.

A hawk who turned moderate after President Sadat's 1977 peace initiative, Mr Weizman would *find it* hard to join a coalition which is dependent on the support of factions like Tehiya, in ultra-nationalistic party which opposes any concessions to the Arabs, even in exchange for peace.

The colourful ex-UK air force pilot who went on to be commander of the Israel air force, declined to say which coalition he will join. He appears to favour a broad-based coalition of national unity, headed by "the party that won the largest number of seats," – Labour.

But he is expected to wait to see whether Likud or Labour is more successful at winning the backing of the moderate National Religious Party (NRP), which also commands a pivotal position in Israel's delicately balanced political machinery.

The NRP has been part of every coalition to date whether headed by Labour or Likud. It is currently showing an inclination to take its four Knesset seats into a Labour coalition, but undoubtedly would join with Likud again if the right-wing party's prospects for heading the new government appeared the brightest.

Likud's chances were boosted yesterday with the announcement by the religious Sephardi Tora Guardians party that it definitely preferred to commit its four Knesset seats to a right-wing government headed by Mr Shamir.

Mubarak ready to talk, Page 2

U.S. banks reduce foreign borrowings in first quarter

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT IN LONDON

U.S. BANKS sharply reduced their borrowing abroad in the first quarter of this year in an abrupt slowdown of their international business, according to figures released today by the Bank of International Settlements (BIS).

Foreign deposits at U.S. banks grew by only $4.9bn, less than a fifth of the $27.5bn increase recorded in the last quarter of 1983, says the BIS, a leading monitor of international banking flows. At the same time the banks' lending abroad dropped by $1.1bn, after growing $10.2bn in the preceding three months.

The BIS gives no clue as to the reason for the sudden shift. Economists say it appears to mark a concerted effort by U.S. banks to curb their balance sheet growth in response to pressures on their earnings and capital gearing ratios.

U.S. banks also cut back on their international business in the main offshore centres of the Caribbean and Far East, the BIS reports. Cross-border assets and liabilities in these centres each fell by about $4bn during the quarter under review.

The decline in foreign borrowings meant that the U.S. was no longer able to use its banking system to finance its rapidly growing current account balance of payments deficit. This deficit "was financed in large measure through capital inflows outside the banking system," says the BIS.

Net inflows of currency through the banking system were only $6bn during the quarter, it says. They fell far short of the $19.71bn current account balance of payments deficit and the difference had to be made good by other means.

Overall international bank lending grew by only $17bn in the first quarter, compared with $54bn in the final three months of 1983.

There was a marked slowdown in interbank lending, as well as in lending to countries in the developing world, but the BIS says this was offset by buoyant lending business within the main industrial countries.

It adds that the underlying expansion of international bank credit during the first quarter was $25bn, 2½ times higher than in the first quarter of 1983.

Capital markets, Page 13

Nestlé drops U.S. bid

By Andrew Baxter in London

NESTLÉ, the Swiss food group, has dropped its $513m bid for CooperVision, a California-based eye-care products group, after opposition by the U.S. Federal Trade Commission (FTC).

The acquisition would have been the largest in Nestlé's history and the biggest by any Swiss company. Its abandonment is a major blow to Nestlé's diversification strategy, a cornerstone of which is expansion in the U.S.

Nestlé had launched its $25 a share agreed bid in April through its Alcon Laboratories unit, a Texas-based maker of eye-care drugs. The deal required regulatory approval however, and on Friday the FTS said it would oppose it on competition grounds.

The commission said the merger would eliminate competition in some markets where CooperVision and Alcon were the only competitors, and substantially decrease it in many others. The deal could also have stifled research on new drugs to treat eye ailments.

Alcon promptly terminated the offer, due to be completed tomorrow, "because of the uncertainty and extended delay that would result from litigating an FTC challenge to the transaction." It continued to believe the acquisition would not be anti-competitive.

Nestlé, which said in April that it saw no U.S. legislative problems with the bid, was putting a brave face on the setback at the weekend. The company said it would continue to pursue its strategic goal of systematically reinforcing its activities in the opthalmological field. M Francois-Xavier Perroud, a spokesman, said that had Nestlé challenged the FTC, be was "fairly certain we would have won the case."

Nestlé has acquired, or taken the first steps to acquire, five companies in the past year, buoyed by a cash mountain of SwFr 5.24bn ($2.13bn) at the end of 1983.

Herr Helmut Maucher, managing director, said earlier this year that Nestlé was interested in medium-sized companies that would increase the market share of a product group, private companies with an innovative product and possibly big-brand food manufacturers.

Call to cut French car jobs

BY DAVID HOUSEGO IN PARIS

THE FRENCH motor industry needs to shed 70,000 jobs – a third of its workforce – in the next few years, according to an independent commission set up by the Government.

The size of the cut required by Renault and Peugeot if they are to remain internationally competitive demonstrates the magnitude of the problems in the industry facing the new Government of Prime Minister Laurent Fabius.

Although the commission under M François Dalle, chairman of the cosmetics group L'Oréal, is not expected to publish its conclusions until September, reports of its interim findings have leaked to the press.

The commission has said the Renault and Peugeot groups need to improve productivity by 5-7 per cent a year, both through cuts in their workforces and investments totalling some FFr 20bn a year.

The proposed 70,000 cut in the 230,000 employed by the two groups includes Renault's loss-making heavy trucks division. In addition the Dalle commission says the capital goods manufacturers for the car industry will need to shed about 20,000 people. The reorganisation of the car industry is one of the delicate restructuring exercises facing the Government because one in ten of France's workforce is said to be directly or indirectly employed by the sector.

The proposed rate of investment is in line with what Renault has been spending but above the recent investment level of Peugeot.

Car registrations in France have fallen 15 per cent in the first half

UK mine union short of cash

BY OUR LABOUR AND POLITICAL STAFF

A NEED for money by Britain's mineworkers' union is becoming increasingly urgent as the strikes against pit closures enters their 21st week.

Leaders of the Trades Union Congress (TUC) will this week consider how they will respond to the union's difficulties.

Support from unions such as the General, Municipal and Boilermakers, the Transport and General Workers, the National Union of Public Employees and the print union Sogat '82 has been substantial, but expressed in tens of thousands of pounds – not the hundreds of thousands needed to sustain a long and costly strike.

Mr Arthur Scargill, president of the National Union of Mineworkers (NUM), believes that this level of financial support should be given without conditions hy the TUC-affiliated unions.

Senior union officials believe, however, that there is little chance of this and that all available money is already being given.

Mr Norman Tehhit, Trade and Industry Secretary, took a relaxed view of the economic impact of the strikes in a radio interview yesterday. He hinted that electricity prices might have to rise, however.

Talks between TUC and NUM leaders last week revealed that the NUM is faced with rapidly mounting hills for legal costs arising from more than 4,000 arrests of its members since the dispute began.

Mr Len Murray, TUC general secretary, today returns from a month's absence through illness. He is expected to pursue the question of assistance opened up in Friday's talks by his deputy and likely successor, Mr Norman Willis.

Mr Murray, with other union leaders, will wish to know the nature and scale of the prohlems facing the NUM – information so far jealously guarded by the union.

Conti Illinois looks to long-term

Continued from Page 1

It remains to be seen, though, whether Continental will be able to meet the aggressive funding needs of some of its former prime customers.

Mr Ogden refuses to be trapped into "playing the numbers game" and forecasting where the new Continental will rank in the pecking order after its operations have been slimmed down. At the end of last year it ranked eighth in size, it probably ranks 12th now and will get still smaller.

"We expect to be a significant hank in the Mid-West, the nation and to some degree overseas, because you can't be a significant bank in the U.S. if you do not bave an overseas presence," says Mr Ogden.

The future of Continental's network of 36 foreign offices in 25 countries is another area of uncertainty. "I do not think we are going to be as broadly based as we have been," says Mr Swearingen, "but on the other hand I do not conceive of Continental's future lying solely in Chicago, or even the U.S. London is too important, Tokyo is important."

A final element of uncertainty in the Continental rescue is the chemistry between the two men. They have known each other a long time but both bave strong views and their position as equals – Mr Swearingen heads the holding company while Mr Ogden heads the bank – raises the question of who is really in cbarge.

World Weather

		°C	°F
Ajaccio	S	77	81
Akrotiri	S	27	81
Algiers	S	29	84
Amsterdam	S	22	72
Athens	F	19	66
Bahrain	S	36	97
Bangkok	F	33	81
Barcelona	S	28	82
Beirut	S	29	84
Belgrade	F	22	72
Berlin	F	21	20
Biarritz	S	33	91
Blackpool	B	19	66
Bordeaux	B	37	88
Brussels	S	25	77
Budapest	C	20	68
B Aires	F	9	48
Cairo	S	32	90
Cape Town	S	18	66
Caracas	C	27	81
Casablanca	–	–	–
Copenhagen	S	19	66
Corfu	S	27	81
Dublin	F	21	70
Dubrovnik	S	25	77
Faro	S	33	91
Florence	S	31	88
Frankfurt	S	27	81
Funchal	S	24	75
Geneva	S	26	79
Gibraltar	S	27	81
Guernsey	B	21	70
Helsinki	S	19	66
H Kong	F	33	91
Innsbruck	F	21	70
Inverness	F	18	64
Istanbul	S	27	81
Jersey	S	25	77
Jo'burg	S	18	64
Las Palmas	S	27	81
Lima	C	20	68
Lisbon	S	31	88
Locarno	S	27	81
London	B	25	77
Los Angeles	F	21	70
Luxembourg	S	23	73
Madrid	S	33	91
Majorca	S	30	86
Malaga	S	30	86
Malta	C	29	82
Manila	F	33	81
Miami	S	27	81
Milan	S	27	81
Moscow	C	22	72
Munich	C	20	68
Nairobi	C	22	72
Naples	F	29	84
New Delhi	S	33	91
New York	S	18	64
Nice	S	26	79
Oporto	S	22	72
Oslo	F	21	70
Paris	S	28	82
Prague	C	18	66
Reykjavik	F	13	55
Rio de J'o	–	–	–
Rome	S	28	82
Salzburg	S	14	57
Seoul	F	29	84
Singapore	F	31	88
Stockholm	F	20	68
Strasbourg	S	27	81
Sydney	C	16	61
Taipei	S	34	93
Tangier	–	–	–
Tehran	–	–	–
Tel Aviv	S	31	88
Tenerife	S	31	88
Tokyo	S	32	90
Toronto	S	15	59
Tunis	S	29	84
Valencia	B	33	91
Venice	S	25	77
Vienna	B	17	63
Warsaw	B	14	57
Zurich	S	25	77

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

AT&T to build plant in Spain

Continued from Page 1

With Spain on target to enter the EEC on January 1 1986, the new plant is seen as providing AT&T's base for trading to the European Community. According to provisional estimates, 80 per cent of its productioo in 1990 will be sold outside Spain.

AT&T has in the past year been negotiating joint venture possibilities with other European countries. Last February it failed to take over Inmos, the UK microchip manufacturer.

Hollywood extravaganza

Continued from Page 1

President Reagan, who together with Mrs Reagan watched the show from behind glass panelling in an intimate booth, contributed 17 words.

With not the smallest prompt or stumble, he said: "I declare open the Olympic Games of Los Angeles celebrating the 23rd Olympiad of the modern era."

The Games provided a major shot in the *arm* to California's *confidence*, bruised in recent months by endless speculation over the impact on the Games of smog, violence, traffic jams, inflated prices and the 101 things that can go wrong with the world's biggest entertainment show. "City swept by excitement. Games open with a rush of good cheer," said the august Los Angeles Times, a mite selectively, as its jumbo Sunday edition thundered on to the streets.

Towards the close of Saturday's ceremony, the Olympic flame was borne into the Coliseum by Gina Hemphill, 28-year-old granddaughter of Jesse Owens, one of the greatest of modern Olympic champions.

Long of leg and strong of arm, the genes of Jesse Owens ran a circuit of the stadium as the sun touched the golden lettering on the tasteful Art Deco temple at the Coliseum's south end, and caught the ghost of Nero, lurking in the Dark.

That's entertainment.

THE LEX COLUMN

Planning consent for the builders

The accelerating migration of hank deposits to building societies in recent years must reveal something about consumer preference. And it has become a commonplace that it sbows one thing most clearly: as a source of basic financial services building societies have left the clearing hanks standing. Their success in attracting deposits is not entirely a matter of higher interest rates, nor can it be explained by the hlackmailing lure of a mortgage – not since the banks entered the mortgage market. The societies' increasing flexibility and conscious policy of innovation, have sharpened the problems of the hanks and consequently forced the authorities to multiply their definitions of money.

So it is in a way surprising to find the clearing hanks, rather than the huilders, playing a prominent role in the deregulation of financial markets. Rushing to open up financial superstores has been a preoccupation of the city of London ever since the Stock Exchange settled its differences with Mr Cecil Parkinson in June last year. The clearing hanks swam willingly to the centre of this whirlpool, just as soon as it was realised that they could not only contribute the balance sheet weight to onderpin an integrated financial conglomerate, but distrihute the products through an all-too sprawling portfolio of High Street property.

With their more friendly retailing demeanour – and a deposit base roughly equal to the hanks' at about £90hn – the same strategy ought to be at least as open to the building societies. Indeed, it might be even more logical to make a building society the nucleus for a new-style integrated financial chain, were it not for the 19th Century legal shackles which so far bave kept the most innovative societies close to the straight and narrow of financing bouse loans out of personal deposits. Last week's Greeo Paper discussion document from the Treasury, *setting out a new legal framework* for huilding societies, proposes to set the societies loose in the interests of keener competition. But only up to a point.

Since the Treasury's approach to reform of building society law turns out to be predictably conservative – retaining mortgage lending as the primary objective – it appears that the movement's scope for experiment will after all be rather limited. A society's balance sheet can bo reshaped within bounds which allow for a modestly riskier loan bock and more wholesale funding. But the most marked result of the new freedom will surely be a proliferation of add-on services. Even there constraints will bite: insurance underwriting is definitely to remain beyond the societies' remit, while stockbroking (or even the use of building society premises by independent brokers) is seen as a rather speculative possibility for the longer term.

Where society balance sheets are concerned, it is to the asset side that the Green Paper yields the more obvious chances for improvisation. Unsecured lending powers – potentially the radical emancipation – may ont do much more than legitimise a type of loan which already exists, where the last few points of a 100 per cent mortgage are tacitly intended to finance consumer purchases and the security is of a pretty dubious nature. In practice, the ability to invest directly in property and to take nn the colouring of residential developers might have more far-reaching effects, potentially exposing societies directly to large-scale risks in a volatile market.

In any event, the speed at which societies can explore the racier possibilities will be controlled by reserve asset requirements, which are rightly to be made stiffer in proportion as the risks increase. The capital for newly permitted ventures will have to come mainly from retentions which means widening spreads, pruning costs, or enjoying a successful run in gilt-edged. To make an impression in the newly opened markets could therefore take the builders several years.

The liability side of balance sheets is not much explored by the Green Paper, beyond imposing a 20 per cent ceiling on the amount of wholesale money in the funding base. From the viewpoint of monetary control, it might bave been worth the Treasury's while to coosider the creation of a secondary market in mortgages; A mortgage bond market on U.S. lines might be a useful device for converting riotous personal borrowing into benign funded deht.

In the end, it may be that the chance to *turn their fixed capital* over more rapidly will do more for the societies than any opportunity to make more highly geared use of their reserves. For the prudential restrictions suggest that the societies may feel like the schoolchild on a half-term treat confronted with a mouth-watering menu but permitted to order only one course at a time.

Stamp duty

One of the more delicate duties to have been imposed in recent years on merchant bank take over specialists is that of approaching the disgruntled management of a company just taken over and asking it to co-operate in executing a convoluted stamp duty avoidance scheme.

The "pref-trick," as the accountants call it, – which involves the temporary removal of value from the shares in the target company – has become such standard practice that a management which failed to co-operate could be accused of dereliction of duty to its shareholders.

On Friday, however, the Government announced two measures to end this practice. An exchange of shares for shares in a corporate takeover will from now on be exempt from stamp duty. But when shareholders in the target company accept cash, stamp duty will continue to be payable – and any use of the "pref-trick" to avoid it will be challenged under the principle of a recent judicial decision in the case of Furniss v Dawson.

These measures will simplify the work of corporate financiers, but cut the fee income of corporate lawyers – and bring the incidence of stamp duty approximately in line with that of capital gains tax.

By discriminating against cash offers, and that includes underwritten cash offers via a bank, the measures will, however, give further artificial encouragement to conglomerate growth through the issue of paper. More fundamentally, the decision suggests that the Revenue is likely to give the widest possible interpretation to the Furniss v Dawson principle. If fiscal uncertainty is not to blight corporate financial planning any further, the Revenue should now decide quickly which types of transactions can be given advance clearance.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Monday July 30 1984

Industrial countries account for bulk of bank loan activity

BY OUR EUROMARKETS CORRESPONDENT IN LONDON

THE TWO-TIER market in international bank lending continued in *the first quarter of this year. New* loan activity was heavily concentrated in industrial countries, while other regions of the world received little new credit, according to the latest figures from the Bank for International Settlements (BIS).

Although the underlying expansion of international bank credit at $25bn was "relatively rapid," most lending activity took place within the BIS reporting area. This comprises the group of 10 richest industrial countries plus Switzerland, Luxembourg, Austria, Denmark, Ireland, key offshore banking centres and, for the first time, Finland, Norway and Spain.

Direct Eurocurrency lending to non-banks within this area was $10.6bn, the largest quarterly figure recorded. The actual extension of credit to borrowers in this area is probably understated, the BIS says, because its figures only partially account for the rapid expansion of floating rate note debt.

By contrast, lending to countries outside its reporting area rose by only $2.5bn, compared with $17.6bn in the final quarter of 1983.

This development, partly seasonal, was particularly marked in the case of Opec countries and smaller developed countries. Opec countries took only $500m in new credit, compared with $7.1bn in the final quarter of 1983.

At the same time they increased their deposits with the banks by $400m, which, compared with their previous behaviour, "suggests a pronounced improvemeot in Opec countries' underlying balance of payments positions."

New lending to developing countries slowed to $1.5bn from $4.1bo with no net new loans extended to countries outside Latin America. In that area Brazil was the only major new borrower, taking $2.4bn in oew credit, while Mexico slightly reduced its debts.

There was a modest increase in lending to Asia, but this was offset by a drop in lending to non-Opec *Middle East* countries as banks cut their lending to Israel by $800m. Israel's deposits in the international banking system also dropped by $1.2bn.

Bank lending to Eastern Europe – which bad begun to recover in the final quarter of 1983 – again ground to a halt, and lending to smaller developed countries also slowed to $500m from $5.3bn, the BIS says.

The international banking system cootinued to be amply supplied with new deposits during the first quarter. New funds from within the reporting area slowed to $18bn from $25.5bn, but deposits from developing countries expanded by $3.8bo.

A large part of the new mooey was accounted for by non-bank deposits from within the reporting area as well as trustee funds channelled into the Euromarket by Swiss banks, which together accounted for $16.5bn.

Overall, the BIS says, a marked pickup occurred in cross-border banking business in curencies other than the dollar. The bulk of new lending was in other currencies, while on the liabilities side of bank balance sheets the dollar accounted for only $3.4bn out of a total $21.9bo increase in foreign currency deposits.

Within this overall change cross-border liabilities to non-banks, which grew by an unusually large $14.5bn, were beavily concentrated in dollars. These dollar deposits expanded by $11.8bn, the largest quarterly increase since 1981 as depositors sought to keep their funds in a strong high interest currency

One feature of the quarter was the provision by banks of substantial foreign currency credit to their own domestic customers. This helps to explaio why the net underlying expansioo of international bank credit at $25bn was higher than the total $17bn increase in cross-border bank lending.

Fixed debt service plan considered for Brazil

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THE WORLD BANK is consideriog a major co-financing exercise for Brazil that could provide a large chunk of its new money requirements from commercial banks next year.

The scheme is still at a very tentative stage but, if adopted, could yield the double advantage of stimulating fresb bank loans for Brazil while protecting it from the effect of sbarp fluctuations in international interest rates. It would be modelled on the World Bank's recent and controversial $15m co-financing loan for Paraguay.

Top Brazilian officials, including Sr Antonio Delfim Netto, the Planning Minister, are to examine the scheme at meetings with the World Bank in Washington this week. It is expected to be raised at a meeting between leading bank creditors and Sr Affonso Celso Pastore, the central bank governor, at a meeting in New York on Thursday.

The idea being put forward by World Bank officials involves fixing in advance the amount of debt service Brazil would pay on the loan each year. In the mucb smaller Paraguayan loan debt service has been fixed at $3.6m annually wben principal repaymeots start to come due after an initial five years.

This amount would be enough to pay interest and principal if rates are no higher than 12 per cent, but if they do rise higher the World Bank has promised to roll up any principal left at the end of the loan's life into a fresh credit.

In Brazil's case the aim would be to start the concept of fixed debt service before any principal payments come due. If market interest rates rise above a given reference rate during that period a balloon of unpaid interest would be created which could be converted into a fresh loan by the World Bank as part of its obligation under the co-fioancing scbeme.

As with Paraguay's deal this means the final maturity of the credit would be highly flexible, but there is a striking difference. In Paraguay's case bankers made it very plain that all interest was being fully paid at market rates as it fell due.

Fixed debt service payments were only possible because the amount of principal Paraguay repays on each instalment date will vary according to the level of interest rates.

Technically speaking the Paraguayan loan thus avoided any form of interest rate "capping." This allowed it to slip through the net of official objections from leading industrial countries, particularly the U.S., which are still opposed to the use of artifical interest rates as a means of solving the debt crisis.

It would be much harder to pretend that the formula being considered for Brazil also avoids rate-capping, because the fixed service payments would come into force before any principal is due. Moreover, a big question remains as to how the commercial bank lenders would fund the interest payment balloon before it is converted to a World Bank loan.

It is understood that a compilation of all potential World Bank programmes for Brazil shows that they could theoretically be used to provide co-financing credits of $5bn to $4bn.

On current reckoning this is equivalent to the entire amount of new money Brazil is expected to need from commercial banks next year, but it is more likely that any co-financing arrangement that does emerge would be for a smaller amount.

Elsewhere, Argentina has announced that it is to repay the $300m credit obtained from four other Latin American countries when it falls due this week, while in the syndicated loan market Portugal has had a good response to its $400m credit, attracting commitments of $122m.

Still awaited is a $100m credit for Pakistan. India is expected soon to seek $300m for its National Aluminium Company.

Lloyds Bank issue extends frontiers of Eurosterling sector

BY MAGGIE URRY IN LONDON

LLOYDS BANK won the gold medal last week in the race to break the £100m barrier set by the Bank of England for Eurosterling issues.

The race has become a bit of a marathon and had a number of rumoured runners. Eveo so, Lloyds' breakthrough is not decisive – the issue comes as a £100m initial trancbe plus a £100m tap. But it was so well received that one issue manager said: "Lloyds could do the second £100m instantly."

It is also the first floating rate note in the sector for some time, and as the market has been crying out for a good name Eurosterling floater of a decent size it was not surprising that the Issue traded at a discount of ½ point to its par issue price – well inside the 1.2 per cent total fees.

Another kind of race has been going on for dollar bonds – "it's a horse race between donkeys and thoroughbreds," said one trader. The New York market was galloping away after Mr Paul Volcker, the Federal Reserve Board chairman, effectively told the market – througb his Congressional testimony – that interest rates would not be going up.

The Eurodollar donkeys have been trotting behind, some faster than others, to show a gain on the week of perhaps 1½ or 2 points. Mercifully new issue volume has been low, and the spurt in prices did not produce a rush of issues. U.S. borrowers are wary of launching a Eurodollar deal while the complications of back-up withholding tax and bearer bonds remains.

"Targeted" issues have been much talked about, with U.S. domestic issues – now free of withholding tax – being offered in Europe. Last week around 10 per cent of a $500m Texaco deal was sold there – probably no more than would have been anyway.

Continental Illinois issues must have been some of the worst performers of the year. The rescue package worked out last week does not directly give the issues a cast-iron guarantee but it certainly encouraged interest.

The Swiss franc sector also saw a fall in new issue activity, with no public issues. Prices were on average unchanged. Expected this week is a complex deal from Soditic, a bond convertible into a choice of two securities.

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
NYK ‡	50	1989	5	13½	100	Nikko Secs. (Europe), Mitsubishi Tst., Citicorp Intl., Kleinwort Benson	13.500
Chugoku Elec. Power ‡	50	1989	5	13⅜	100	Nomura Intl., IBJ Intl.	13.375
Montagu Placements ‡	100	1991	7	13¼	100	Samuel Montagu, Citicorp Intl., Mgn. Guaranty, UBS Secs.	13.250
Eksportfinans ¶‡	100	1987	3	13¼	101.85	Mgn. Stanley, PK Christiania Bank	12.473
D-MARKS							
Kawashima Textile Mfrs. §‡	45	1990	6	4	100	Deutsche Bank	4.000
SWISS FRANCS							
Biosearch Med. Products **§‡	10	1989	–	6½	100	Citicorp Bk. (Switz)	6.500
Furuno Elec. **§‡	30	1989	–	2½	100	Citicorp Bk. (Switz)	2.500
Sanken Elec. **§‡	50	1989	–	2½	100	CS	2.500
Newscorp. Neths. Ant. ‡	150	1994	–	6⅜	99½	Sodific	6.444
New Zealand **‡	250	1989	–	5⅞	100	CS	5.875
Shiseido **§	150	1989	–	2⅛	100	CS	*
STERLING							
Lloyds Bank †ф‡	200	1996	10	⅛	100	LBI	–
GUILDERS							
Denmark	150	1994	8	9¼	*	ABN	*
LUX. FRANCS							
ECSC ‡	1,000	1994	7.9	10½	100	Bque. Gen. du Lux.	10.500
ECUs							
3i ‡	50	1989	5	11	100	SG Warburg, Kredietbank Intl.	11.000
YEN							
Elec. de Portugal **‡	5bn	1991	6.4	8.1	100	Bk. of Tokyo	8.264
Papua New Guinea **‡	5bn	1991	6.4	8	99.90	Nikko Secs.	8.180
Asian Devt. Bank ‡	25bn	1996	10.32	7.7	99.75	Daiwa Secs.	7.882

* Not yet priced. ‡ Final terms. ** Placement. § Convertible. † Floating rate note: coupon is spread over 3-month Libor. ¶ With warrents. ф Includes £100m tap. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Retail investors on buying spree after Volcker testimony

LONG-TERM U.S. bond prices rallied strongly last week as retail investors went on a buying spree marking a decisive improvement in market mood in the wake of the congressional testimony by Mr Paul Volcker, the chairman of the Federal Reserve Board.

Despite some profit taking on Friday the Treasury long bond closed 2¾ points higher at 103¾. As a result the yield on the 30-year government bond which was hovering around 14 per cent just eight weeks ago, plunged to 12.83 per cent.

The sharp improvement in bond prices recently reflects renewed optimism about a further slowing in the pace of economic growth in the U.S. reduced fears about a resurgence in inflation, and an underlying view that the Fed will hold monetary policy steady.

Mr Volcker's testimony last week reinforced these views. He delivered a carefully balanced blend of relatively bullish comments and caution confirming that the Fed did not tighten monetary policy at the Federal Open Market Committee meeting earlier this month because of signs that growth in the economy was slowing.

U.S. INTEREST RATES

	Week to July 27	July 20
Fed funds weekly average	11.19	11.21
3-month CDs	11.30	11.47
3-month T-Bills	10.28	10.15
30-year long bond	12.77	13.07
AAA utility	13.65	14.00
AA industrial	13.50	13.88

Source: Salomon Brothers (estimates). In the week ended July 16 M1 fell by $100m to $546.6bn.

The markets, which will have another chance to assess Mr Volcker's message when he returns to Capitol Hill today for more questioning, this time by Congress's Joint Economic Committee, read his comments as indicating that, for the moment at least, the Fed is adopting a "passive" but firm monetary policy.

Against this backdrop U.S. bond prices have broken out of their recent depressed trading range—even though short-term rates remain firm.

Last week government bond prices gained between 1 and 2¾ points with the largest gains coming in the medium and long-term issues. The 20-year bond yield closed lower by 44 basis points at around 12.79 per cent while the new 12¾ two-year note, auctioned last week at an average yield of 12.69 per cent, closed at 12.57 per cent.

In contrast short-term rates were unchanged to slightly higher. The Fed intervened again to drain reserves when the Fed funds rate dropped briefly below 11per cent and it closed at 11.44 per cent on Friday.

The sharp rally in bond prices has brought a marked flattening in the yield curve. The yield gap between the 30-year bond and 3-month T-bills has been almost halved since the end of May when it stood at over 400 basis points. But the sharpest reduction over the past four weeks has come between the three-month and seven-year issues where the spread has narrowed from 219 to 141 basis points reflecting greater investor confidence in the intermediate prospects for inflation.

Corporate bond prices have also benefited from renewed investor interest. Last week the market was deluged with $1.4bn in new corporate issues but by the close virtually all the new paper had been placed.

Among the new issues BankAmerica sold $200m of floating rate notes priced at 99¾ and Commonwealth Edison sold a two-part issue of $100m of 14 per cent five year bonds and $100m of 14¾ ten-year bonds.

By the close on Friday corporate bond prices were generally higher by between 2 and 2½ points.

The markets' nerve will however be tested again this week by another batch of U.S. economic statistics including June house sales tomorrow and the June unemployment rate due to be released on Friday.

In addition the markets will be given another nasty reminder of the Federal budget deficit on Wednesday when the Treasury announces details of its quarterly refunding package. This is expected to total between $16.75bn and $17bn and include three, 10 and 30-year offerings. The refunding will be of particular interest since it will be the first since the repeal of withholding tax on foreign purchases of U.S. paper.

Paul Taylor

Reduced second-quarter net deficit for LTV

BY TERRY DODSWORTH IN NEW YORK

LTV, the U.S. steel and aerospace components group, trimmed its losses in the second quarter of this year, but complained that record levels of tubular products imports had undermined its competitive position.

Net losses amounted to $22.7m, or 50 cents a share, against a deficit of $61.3m, or $1.20 a share in the same period of last year. The underlying improvement was somewhat stronger than these figures suggest, since the loss last year was reduced by an exceptional gain of $20.3m from the extinguishment of debt.

Sales in the period rose by 59 per cent from $994m to $1.6bn, while for the first six months they were up from $1.99bn to $2.99bn. Net losses over the first half came to $51.7m, or $1.11 a share, against a deficit of $138.5m, or $2.77 a share, in 1983.

All of the figures exclude Republic Steel, which is in the process of merging with LTV.

Mr Raymond Hay, the chairman, said the losses resulted primarily from persistently weak markets, higher interest expense (which rose from $28m to $43.9m) and continuing poor demand for oilfield equipment.

On the steel side the group was especially hard hit by tubular imports, which reached 62 per cent of the domestic market in the second quarter. At operating level, the steel group's loss was narrowed to $2.6m, against a deficit of $52.1m a year ago, and $27.4m in the previous quarter. Shipments increased by 29 per cent to 1.9m tons.

In the aerospace and defence division, operating income more than doubled to $27.8m, while energy products had a $4m loss against a deficit of $15.5m in 1983.

Interim growth at Saipem

By Alan Friedman in Milan

SAIPEM, the state-owned Italian oil and gas pipelaying and drilling company which is being partly privatised, recorded a 6.2 per cent rise in revenues during the first six months of this year, to L651bn (U.S.$372m). The company did not disclose net profits for the half-year. They were L52.9bn for the whole of 1983.

The Milan-based company, a part of the ENI state energy holding group, is offering 20 per cent of its shares for L124.5bn on the Milan hourse. A further issue is expected next year on the New York Stock Exchange.

IBH allegations denied

BY JONATHAN CARR IN FRANKFURT

Herr Horst Dieter Esch, founder of the IBH, the West German construction machinery group which collapsed last December, has denied allegations that some of the group's capital increases may have been carried out improperly.

In a statement issued through his lawyers here, Herr Esch stressed that every IBH capital increase was wholly paid for by the group's shareholders—including General Motors of the U.S.—in cash.

The statement follows an announcement earlier this month by the court-appointed receiver of IBH, Herr Wolfgang Peterelt, that he planned to take legal action against General Motors in connection with the capital increases.

Herr Peterelt alleged that money intended to be part of GM's contribution to the increases was repaid to GM to offset part of the U.S. company's own claims again IBH. General Motors has already described the allegation as "without merit."

Herr Esch was detained by police in March and has since been held in custody during the investigation of his group's affairs.

Continued improvement at Texas Instruments

By Our Financial Staff

TEXAS INSTRUMENTS, the major Dallas-based diversified electronics group, reported a continuing improvement in profits in the second quarter, helped by the strength of the world semiconductor market.

Net earnings were $85.9m or $3.57 a share, against a loss of $119.2m or $5 in the second quarter of 1983, when the company was plagued by problems in its now discontinued home computer business.

The latest profits figure is a 7.6 per cent improvement on the $79.8m recorded in the 1984 first quarter, and takes the six-months figure to $165.7m or $6.89 a share, against a loss of $112m or $4.71. Sales rose sharply from $2.27bn to $2.8bn, with $1.46bn ($1.1bn) in the second quarter.

The company said semiconductor operations, orders, shipments and profits all reached new quarterly highs in the second quarter, with growth across most major geographic and product areas. Book-to-bill ratios were returning to levels reflecting a more stable growth pattern.

Metallurgical materials, electrical controls, and government electronics divisions performed well, but the data systems sector remained depressed and earnings fell from the comparable period in geophysical exploration services.

Sharp rise in profits at Winsor Industrial

BY DAVID DODWELL IN HONG KONG

WINSOR INDUSTRIAL, Hong Kong's largest textile manufacturer, more than doubled its profits for the year to March 31 1984, and said the recovery of the U.S. economy "virtually single-handedly provided the impetus for the boom."

Profits after tax but before exceptional items were a record HK$239.3m (US$30.6m), 131 per cent better than the HK$103.7m reported a year ago. After a loss of HK$11.6m under extraordinary items the group reported net profits of HK$227.8m, compared with HK$92.8m last year.

External sales rose to HK$1.9bn, a 42 per cent increase on 1982-83 sales of HK$1.35bn. Over the same period, sales to the U.S. increased by 64 per cent.

Dr T. K. Ann, the chairman, noted, however, that textile manufacturers in Hong Kong were uneasy about prospects for the second half of this year and 1985. He said there were signs that restocking in the U.S. was coming to an end, and that the advantages from a weak Hong Kong dollar had disappeared since the local currency was linked to the U.S. dollar last October.

The board is recommending a final dividend of 38 cents, giving a total for the year of 56 cents—more than 50 per cent better than last year's 37 cents.

Banco Filipino to re-open

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES Central Bank, on the order of President Ferdinand Marcos, has agreed to reopen Banco Filipino (BF), the country's largest savings bank, which shut down last Monday because of its inability to meet heavy withdrawals from investors.

The Central Bank said it would extend up to 3bn pesos (U.S.$170m) in emergency loans to ensure full payment to depositors waiting to withdraw their money.

Mr Marcos intervened after a request from Mr Tomas Aguiree, BF's founder, to intercede with the Central Bank in order to avoid a continuing bank run and to prevent other banks from failing.

In return BF has agreed to the Central Bank's appointment of Mr Basilio Estanislao, president of the state-run Land Bank of the Philippines and the Bankers' Association of the Philippines, as conservator or official custodian.

Mr Estanislao will form a team to take charge of BF's assets and liabilities and to restore the bank's viability.

Head named for Landesbank Rheinland-Pfalz

By John Davies in Frankfurt

AN executive in one of West Germany's largest savings banks, Dr Paul Wieandt, has been named head of the LANDESBANK RHEINLAND-PFALZ. He takes over from Dr Erwin Sinnwell, who resigned last month in the wake of the bank's involvement in Deutsche Anlagen-Leasing (DAL), the troubled leasing concern.

Dr Wieandt, aged 48, a lawyer, has been on the managing board of the Duesseldorf city savings bank since 1976 and was previously an executive of the private bank of Merck, Finck.

He takes over the Mainz-based Landesbank at a sensitive time, with losses and write-offs incurred through DAL casting a shadow over the bank's operating earnings.

Dr Sinnwell, who resigned after seven years as chief executive of the bank, was previously Economics Minister in the Saarland state government.

INTERNATIONAL APPOINTMENTS

● Captain A. M. Kapur has been appointed chairman of AIR-INDIA. He is currently chairman of the International Airports Authority of India. He was chief flying instructor of the Central Training Establishment of Indian Airlines and later its principal. His last post with Indian Airlines was as director of operations.

● Mr James T. Anderson has been appointed vice-president and treasurer for U.S. WEST, a telecommunications holding company. U.S. West is the parent company of Mountain Northwestern Bell, Pacific Northwest Bell and several unregulated subsidiaries. Mr Anderson's new responsibilities will include all treasury functions, including trust investment, investor relations, financial planning and cash management.

● BUHRMANN - TETTERODE NV is to appoint Mr Ir. R. Paalman as member of the board of managing directors. Mr Paalman will assume his duties on September 1. In addition to his general responsibilities for the company, he will be specifically charged with the management of Area B (sole agency trading and production of electronic equipment and machines). This appointment follows the resignation of Mr J. D. Knight who, at his own request, has stepped down as member of the board and has left the company in order to take up a position elsewhere. Mr Paalman was group manager Group 9.

● Mr Theodore Schlissel has been appointed president of REEVES INTERNATIONAL, based in New York. Mr Schlissel will be succeeding Mr Dennis Kernohan who is retiring as an executive vice-president of Reeves Communications and president of R.I.I. Mr Kernohan will continue to serve as a member of the Reeves Communications board and as a consultant. Mr Schlissel, who has been an executive vice-president of Reeves since 1983 and a director since 1977, will be based in New York.

● MORGAN BANK OF CANADA, a subsidiary of Morgan Guaranty Trust Company of New York, has appointed Mr Thomas F. Fleming Jr to succeed Mr Larry L. Chamberlain as president. Since 1983 he has been a deputy managing director with responsibilities for corporate finance activities in North America.

● Mr James R. Sebring has been appointed director of operations for the combined production facilities of BENDIX AIR TRANSPORT and GENERAL AVIATION AVIONICS DIVISIONS. Mr Sebring succeeds Dr Sidney (Chip) Emery, who has been appointed director of engineering for Bendix ATAD.

● AUSTRALIA AND NEW ZEALAND BANKING GROUP has made the following appointments: Mr David T. Craig—special duties London (formerly general manager management services, AHQ, Melbourne); Mr Alister Maitland — general manager management services, AHQ, Melbourne (formerly state manager Queensland); Mr Bryan O'Callaghan — state manager Queensland (formerly assistant state manager domestic banking Queensland); and Mr Warren Riedel—assistant state manager domestic banking Queensland (formerly area manager, Illawarra, New South Wales).

● Mr Ross W. Kennan, an Australian citizen, has been appointed group director, industrial products group, at HONEYWELL EUROPE S.A. He is responsible for the overall business of industrial process management systems, factory automation systems, test instruments, field instrumentation and industrial maintenance services in Europe, the Middle East and Africa. Mr Kennan was director, international industrial sales coordinating international selling for industrial products group worldwide.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11⅞ 94	100	89½	90	0	+0⅛	13.70
All Nip. Airways 14 94	100	104½	105	+0⅛	+1⅛	13.11
American Savings 12 89	125	96⅞	97⅛	+0⅛	0	12.81
American Sav. 12⅛ 89	100	97	97½	−0⅛	0	13.02
Australian I. Dv. 11 89	75	†91⅛	92	+0⅛	+0⅛	13.51
Austria Rep. 13⅞ 92	100	99⅞	100⅛	+0⅛	+1⅛	13.59
[illegible]						

	Issued	Bid	Offer	Change on day	Change on week	Yield
Statsforetag 0 92	75	†100⅛	100½	0	0	5.94
Sweden Kingdom 5⅞ 94	125	†99⅛	100	+0⅛	0	5.76
Tauernkraftwerke 5⅞ 94	100	†97⅛	98	+0⅛	0	5.79
Tobu Railway 4 92 WW	100	†97	97½	+1⅛	+0⅞	4.42
Tobu Railway 4 92 XW	100	†88⅛	88⅛	0	0	6.22
Transcanada Pipe 5⅞ 92	100	†97⅛	98	−0⅛	0	5.84

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS; OTHER STRAIGHTS; FLOATING RATE NOTES; CONVERTIBLE BONDS; DEUTSCHE MARK STRAIGHTS; SWISS FRANC STRAIGHTS

[illegible]

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week	7,752.8	14,715.4
Previous week	10,449.7	16,957.3
Other bonds		
Last week	1,723.7	855.4
Previous week	1,695.8	1,179.2

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Bank of Tokyo International; Blyth, Eastman, Paine Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on July 27

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UK COMPANY NEWS

Jaguar waits for public to pounce on share offer

BY ALISON HOGAN

Jaguar is now well on the road to privatisation, awaiting only the response from the public to the underwritten offer for sale of almost all its equity.

Hill Samuel, on behalf of British Leyland, is offering for sale 177.8m shares at 165p per share, which gives the luxury car manufacturer a market capitalisation of £297m.

The Jaguar management has gradually established its autonomy from BL since late 1979. It has developed its range of cars under the Jaguar and Daimler marques in competition with other saloon and specialist sports car manufacturers, such as Mercedes, BMW, Porsche and, in the U.S., Cadillac.

Demand has increased, particularly in the U.S. since 1983, assisted by a favourable sterling/dollar exchange rate.

Turnover in the four years to December 1983 grew from £166.4m to £472.6m. Jaguar has recovered from losses of £47.3m in 1980 to £9.6m profits in 1982, and a big boost to £50m pre-tax in 1983.

The directors of Jaguar forecast a pre-tax profit for the six months to June 1984 of approximately £41m compared with £25m for the comparable period last year.

The p/e based on the 12 months to June 1984 is 6.9 at the 165p offer price. The yield on a forecast net dividend of 4.75p to December 1984 is 6.7 per cent.

The directors say that prospects look good for the remainder of 1984. Looking further ahead, a key to Jaguar's future success will be customer reaction to the proposed launch of the XJ40 model range. It is at an advanced stage of development and "undergoing the most rigorous programme of tests that Jaguar Cars has ever applied to a new vehicle."

The application list for the shares will open at 10 am on August 3. Applications should be sent to Barclays Bank, New Issues Department PO Box No. 123, London, EC4.

The allocation of shares will be announced on Monday, August 6, and dealings are expected to begin later in the week, probably Thursday, August 9.

Stockbrokers to the issue are Cazenove and Laing and Cruickshank.

● **comment**

Jaguar has timed its arrival on the Stock Exchange with some finesse. The fixed price offer was well received by City analysts and the stags are rumoured to be standing by for a quick killing. Investors who decide to apply for shares should stand a reasonable chance of getting an allocation due to the size of the issue. They should heed the warning of Colin Whitbread of Quilter Goodison, however, that "longer term holders should brace themselves for what could be a bumpy ride." The main boost to Jaguar's profits has been increased sales in the U.S. and a sudden reversal in the dollar/sterling rate could drastically alter the picture. The reception of the XJ40 is also critical to the value of the shares in the longer term. Investors who consider Jaguar as a short-term investment could have some fun and make some profits.

American Oil Fields cuts losses to £4m

PRE-TAX LOSSES at American Oil Fields Systems were substantially reduced from £7.33m to £4.02m in 1983. The company, which is engaged in gas and oil exploration in the United States, says its share of partnership sales of oil and gas was little changed at £1.93m compared with £1.9m.

Operating costs were slightly lower at £454,000 against £499,000, administration expenses were considerably reduced at £466,000 (£901,000), depreciation accounted for £1.47m (£1.9m), and the full write-down cost was £2.95m (£5.8m). There were trading losses of £3.41m against £7.2m.

No tax was payable against £38,000 last time, and the loss per share was cut from 73.6p to 40.2p. Net asset value per 20p share of this unquoted company was 17.3p against 53.2p.

The directors say that one of the programmes in which the company has invested is now paying modest dividends, and it has received distributions totalling £100,800.

Marshall's spurns bid by Grovebell

BY ALISON HOGAN

THE BOARD of Marshall's Universal, the vehicle distributers and paper merchant, has sent a document to shareholders urging them to reject the £6.5m takeover bid from Grovebell, the motor trading finance group headed by Mr Vasant Advani.

They criticise Grovebell's parent company for artificially depressing Marshall's ordinary share price by selling shares just prior to the takeover announcement. "The effect of this was that the offers appeared better than they would have been otherwise," says Mr Roger Doughty, chairman of Marshall's Universal, in the document.

He warns shareholders that Grovebell is highly geared and thus heavily exposed to increases in interest rates and that its asset backing is low at 9.8p per share representing a 41 per cent discount to the current share price.

Pre-tax profits of Marshall's for the first three months of the financial year were estimated to be £476,000 which compares with £77,000 for the comparable period last year and £819,000 for the year as a whole.

Mr Doughty says that there has been a marked improvement in Marshall's profitability, particularly in its UK activities. The paper and board division has increased turnover by 23 per cent in the first six months over the same period last year.

The terms of the offer, after Marshall's recent rights issue, are three-for-one ordinary share and five for each preference share. There is a cash alternative, which, according to Marshall's, would result in ordinary shareholders showing a capital loss of 33 per cent. The share offer would result in a marginal capital increase, providing Grovebell's share price does not fall.

MINING NEWS

Durban Deep's new area

AS PART of a long-term deal the veteran Durban Deep, one of South Africa's marginal gold producers, is to be permitted to carry out mining operations over an area adjoining the western boundary of its property.

The area is part of the new Doornkop section which, as already announced, is to be mined by the adjacent Randfontein Estates.

The mining rights granted to Durban Deep are also partly in areas where mineral rights are held by Johannesburg Consolidated Investment and South Roodepoort Main Reef Areas.

Durban Deep will work the area and pay royalties. The latter will be shared by Johannesburg Consolidated (the main beneficiary), Randfontein, South Roodepoort, Anglovaal and New Wits.

Durban Deep will also find the capital expenditure for working the new area. When Durban Deep is recovering this expenditure it will pay a royalty of 17.5 per cent of working profits and charge against the profits 10 per cent interest on the unredeemed capital expenditure at the end of each quarter.

After the capital spending is recouped, the royalty payable to the other companies will rise to 50 per cent of Durban Deep's working profit.

However, it is likely to be several years before these extended mining operations are established on a profit-earning basis.

COMPANY NEWS IN BRIEF

Regalian Properties achieved strong growth in pre-tax profits from £533,396 to £785,440 in the year ended March 31 1984. Turnover, however, was lower at £4.68m, against £4.85m.

After tax of £357,383 (£161,519) earnings per 25p share moved ahead from 8.36p to 9.62p. The final dividend is 1.75p net for a doubled total payment of 2.5p (1.25p). This absorbs £111,250 (£55,265) leaving £316,807 (£316,252) retained.

* * *

Temple Bar Investment Trust pushed its net asset value up from 109.77p to 115.66p per share over the six months to end-June 1984.

* * *

Pre-tax profits from continuing operations at **Unilock Holdings** improved from £243,000 to £448,000 in the year to April 1, 1984. The company reported overall pre-tax profits of £410,000 for 1983, which included five months trading of EIH Limited sub group which was sold during that year.

The total dividend is raised from 0.7p to 0.925p net with a final of 0.5p and the directors say this increase of 32 per cent reflects the company's efforts to improve shareholder's return as the rise in profitability continues.

The company's shares are traded on the market formed by Granville and Company.

* * *

An increase in pre-tax profits from £1.91m to £2.48m has been shown by **Frank Horsell Group** for the year to the end of March and Mr Alan Martin, chairman, says that the rising trend of profits will continue.

Turnover of this maker of offset plates, inks and chemicals for the printing industry, moved ahead from £14.44m to £17.6m.

A final dividend of 4.8p per preferred ordinary share is recommended which makes a total of 6.7p (6.1p) for the year. Shares are traded on the market created by Granville & Co.

* * *

Pre-tax profits of £240,982 against previous losses of £67,021 have been shown by **Armitage & Rhodes** for the year to the end of March 1984. Turnover of this furnishing fabric manufacturer increased from £7.84m to £9.6m.

A dividend of 2p has been recommended compared with 1p for the last full year. Shares are traded in the market created by Granville & Co. The company is a close company.

* * *

Income revenue of the **Derby Trust** improved from £510,486 to £562,557 in the six months to end-June, 1984. The figures included a tax credit and were struck after taking account of interest and management expenses. Tax charge rose from £183,449 to £189,107.

The interim distribution is being effectively stepped up from 2.7691p to 3.1621p net per income share—the £1 shares were sub-divided into 25p units in June. Asset value per 25p capital share at June 30 amounted to 182p—this compares with 155.25p as at December 31, 1983.

* * *

Results for the first half of 1983 at **Bank Leumi (UK)** show a gratifying increase in earnings, say the directors, which stems from a significant growth in the volume of business.

The directors have recommended an interim dividend of 3.15p—in the last full year the total payout was 10.15p. They are again offering an option to receive either cash or fully paid ordinary shares in respect of the interim payment.

* * *

Pre-tax profits of **Havelock Europa** totalled £473,000 for the 53 weeks to April 20 1984. This compares with a prospectus forecast of not less than £450,000 and the £335,000 returned in the previous year.

Turnover expanded from £4.77m to £5.71m—this USM company provides a comprehensive design and shopfitting service for major department stores and retail groups. Earnings per 10p share amounted to 4.49p (2.57p).

The new year has opened with a high level of work in hand and orders booked during the first quarter were considerably ahead of those for the same period last year.

* * *

Early in 1984 the directors of **J. T. Parrish** closed down its department store and concentrated efforts in the property and financial fields, since when a return to pre-tax profits of £6,000 has been shown against previous losses of £24,000.

F.T. Share Information

The following securities have been added to the FT Share Information Service:

Bowater Incorporated (section; Americans).
Global Group (Food, Groceries, etc).
Hunter Saphir (Food, Groceries, etc).
London and Continental Advertising (Paper, Printing, and Advertising).
Lowe Howard-Spink Campbell-Ewald (Paper, Printing, and Advertising).
Premier Group (Food, Groceries, etc).

FINANCIAL TIMES STOCK INDICES

	July 27	July 26	July 25	July 24	July 23	July 20	1984 High	1984 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	76.16	76.42	76.21	76.09	75.96	76.44	83.77	76.09	197.4	49.18
Fixed Interest	80.85	80.69	80.73	80.66	80.87	80.97	87.48	80.66	150.4	50.53
Industrial Ord.	776.4	777.6	770.2	763.5	755.3	776.5	922.8	755.3	922.8	49.4
Gold Mines	502.4	514.0	494.2	488.2	490.3	509.8	711.7	488.2	734.7	43.5
FT-Act. All-Share	468.94	470.61	466.78	464.84	465.83	473.41	536.71	464.84	536.71	61.92
FT-SE 100	995.6	999.1	986.3	989.6	986.9	1009.8	1141.6	986.9	1141.6	991.4

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
110	F.P.	[illegible]	[illegible]	[illegible]	Amari	88		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Appl'd N'graph's 5p	150		[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	[illegible]	[illegible]	[illegible]	Do. Warrants	110					
270	F.P.	[illegible]	[illegible]	[illegible]	Assoc Brit Ports	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Berkeley Grp	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Britannia Sec G 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Bush Radio 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Clogau Gold 10p	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Compsoft Hldgs. 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦DDT Group 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Derby Tst. Warrants	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Ennex Intnl. 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Enterprise Oil	[illegible]	[illegible]				
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Entertain'ProdSer 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
95	F.P.	[illegible]	[illegible]	[illegible]	Etam 10p	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Gartmore I. & F. Warr.	[illegible]	[illegible]				
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Gcc Resn 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Hobson 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	LCA Hldgs. 20p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Lon. & Clydeside	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Mayfair & City Prop 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Murray Ventures Warr.	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Northamber 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	PLM AB	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. DSk 25	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	PWS Intnl. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Pacific Sales 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Pic'd'ly Red. N.V. 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Pres. Entcrs. 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sarasota Tech'gy 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Spectra Auto. 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Spectrum 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦STMS Group 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Telecomputg 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Tinsley (Eliza) 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
145	F.P.	[illegible]	[illegible]	[illegible]	♦Trencherwood 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price £	+ or −
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Cap & Counties 9¼ Cnv. Uns. Ln. 1993	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Comfort Int. 7½ Cnv. Uns. Ln. 1995	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Marley 11¼ Deb. 2009	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Micro Duc 5% Uns. Cnv. Ln. 1997	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Nationwide 10¾% [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. 11¼% [illegible]	[illegible]	[illegible]
92.669	£30	[illegible]	[illegible]	[illegible]	New Zealand 11¼% 2014	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Polly Peck 10p Cum. Cnv. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Portsmouth Water 13% Red. Deb. 1994	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Robinson Thomas [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Saatchi & Saatchi 6¾% Cnv. Uns. Ln. 2015	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Upton C. 10% Cnv. Uns. Ln. 1990	[illegible]	[illegible]
100	£10	[illegible]	[illegible]	[illegible]	York Waterworks 13% Red. Deb. 1994	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price p	+ or −
50	Nil	[illegible]	[illegible]	[illegible]	Anvil Pet. 20p	[illegible]	[illegible]
A$3.7	Nil	[illegible]	[illegible]	[illegible]	Australia & N.Z. Banking A$1	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Bluemel Bros.	[illegible]	[illegible]
A$7.5	A$4	[illegible]	[illegible]	[illegible]	Broken Hill Prop A$2	[illegible]	[illegible]
260	Nil	[illegible]	[illegible]	[illegible]	Brown Shipley £1	[illegible]	[illegible]
80	F.P.	[illegible]	[illegible]	[illegible]	Canning W.	[illegible]	[illegible]
410	F.P.	[illegible]	[illegible]	[illegible]	Dollar Alien £1	[illegible]	[illegible]
235	F.P.	[illegible]	[illegible]	[illegible]	Cookson 50p	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Hill Samuel	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hyman (I. & J.) 5p	[illegible]	[illegible]
15	F.P.	[illegible]	[illegible]	[illegible]	Kwahu 10p	[illegible]	[illegible]
191	F.P.	[illegible]	[illegible]	[illegible]	Ladbroke 10p	[illegible]	[illegible]
30	F.P.	[illegible]	[illegible]	[illegible]	Marshall's Universal	[illegible]	[illegible]
83	Nil	[illegible]	[illegible]	[illegible]	Moss (Robert) 10p	[illegible]	[illegible]
125	Nil	[illegible]	[illegible]	[illegible]	Pet. Petroleum £1	[illegible]	[illegible]
A$3	A$2	[illegible]	[illegible]	[illegible]	Sanford 40.5c	[illegible]	[illegible]
250	F.P.	[illegible]	[illegible]	[illegible]	Saxon Oil	[illegible]	[illegible]
335	F.P.	[illegible]	[illegible]	[illegible]	Systems Designers 5p	[illegible]	[illegible]
570	Nil	[illegible]	[illegible]	[illegible]	Thorn EMI	[illegible]	[illegible]
60	Nil	[illegible]	[illegible]	[illegible]	Unilites 10p	[illegible]	[illegible]
375	Nil	[illegible]	[illegible]	[illegible]	Woddington (J.)	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ‡ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters (or fully-paid). ‖‖ Introduction. ☆ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bristol Oil and Minerals, Burmatex, European Assets Trust, Greppo, Rotork.

Finals: Ailsa Investment Trust, Cray Electronics, Hogg Robinson, Munton Brothers, Park Food, Alfred Preedy, Routledge and Kegan Paul, Stavert Zigomala, F. N. Tomkins.

FUTURE DATES

Interims—

Britannic Assurance	Aug 8
British American and General Trust	Aug 3
English and New York Trust	Aug 7
Renown Inc.	Aug 9
Smith and Nephew	Aug 14
Ultramar	Aug 9
Watson (R. Kelvin)	July 31

Finals—

Gnome Photographic Products	Aug 8
Grosvenor Square Properties	Aug 6
Owen and Robinson	Aug 10
TR City of London Trust	Aug 1

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
*Acrow	Sept 25	Final nil
Anglo Amer Gold Inv	Sept 1	Interim 500c
Associated Dairies	Aug 31	Final 1.75
Automotive Prods	Sept 8	Interim 0.5
BP	Sept 1	Interim 7.0
Babcock Intl	Aug 31	Interim 3.4
*Barclays Bank	Aug 2	Interim 11.5
*Bibby (J.)	Aug 15	Interim due
Blue Circle	Aug 25	Interim 6.0
BICC	Sept 7	Interim 3.5
Brown Boveri Kent	Sept 7	Interim 1
Cadbury Schweppes	Sept 1	Interim 1.5
Charterhouse Group	Sept 1	Interim 2.025
*Commercial Union	Aug 8	Interim 4.85
Cons Plente	Sept 2	Final 5 sen
Cookson	Sept 8	Interim 3.7
Corah	Aug 18	Interim 1.5
Croda Int	Sept 7	Interim 3
De Beers	Aug 23	Interim 12.5c
Delta	Sept 8	Interim 1.82
*EIS	Sept 3	Interim 1.65
Exco	Sept 6	Interim 3.5
*General Accident	Aug 15	Interim 8
*Glynwed	Aug 8	Interim 2.45
GRE	Aug 31	Interim 7.75
*GKN	Aug 7	Interim 4
Hawley	Aug 24	Interim 0.65
Hepworth Ceramic	Sept 8	Interim 2.5
*Hogg Robinson	July 30	Final 3.0
*Hongkong and Shanghai Bk	Aug 28	Interim due
Horizon Travel	Aug 17	Interim 0.88
IMI	Sept 8	Interim 1.5
*Ladbroke	Aug 30	Interim 4.7
Laird	Sept 10	Interim 2.2
Lasmo	Aug 23	Interim due
*Lloyds Bank	Aug 3	Interim 10.66
*Lonrho	Aug 2	Interim due
*Mercantile House	July 31	Final 15
*Marley	Aug 8	Interim 1.2
Morgan Crucible	Sept 1	Interim 3.5
*NatWest	July 31	Interim 11.4
*Ocean Transport	Aug 1	Interim 2.15
P & O Defd	Sept 7	Interim 4
Phoenix Assurance	Sept 7	Interim 7.6
*Property Secs Invest Tst	Aug 8	Final 1.5
Provident Financial	Sept 6	Interim 3
Prudential	Sept 8	Interim 5.5
Queens Moat Houses	Aug 25	Interim 0.665
Raybeck	Aug 28	Final 0.25
Reckitt & Colman	Sept 6	Interim 4.55
*Rentokil	Aug 21	Interim 0.675
*Royal Insurance	Aug 16	Interim 10.5
Schroders	Sept 8	Interim 3
Securicor	Aug 10	Interim 0.44
Sedgwick	Sept 8	Interim 2.75
Sime Darby	Sept 3	Final 6.8
*Slough Estates	Aug 28	Interim 1.625
*Smith and Nephew	Aug 14	Interim 1.4
Stand Chartd Bank	Aug 23	Interim 9.5
Stewart Wrightson	Sept 6	Interim 3.85
Stock Conversion	Aug 8	Final 3
*STC	Aug 6	Interim 2.75
Sun Alliance	Sept 7	Interim 2.2
Taylor Woodrow	Aug 23	Interim 5.5
*TI	Aug 9	Interim 2.5
Tozer Kemsley & Millbourn	Aug 1	Interim nil
*Ultramar	Aug 9	Interim 8
Vosper	July 14	Interim 2.0
Weir	Aug 30	Interim 0.375
Yorkshire Chemicals	Aug 25	Interim 1.0

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

Closing prices, July 27

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21	13¾	AAR	.44	2.1	22	33	20⅞	20½	20⅝	+ ⅛
22	13¾	AMCA	n 1	7.3		3	14	13¾	13¾	− ½
16⅝	13⅛	AMF	.50	3.3	40	208	15½	15	15⅛	+ ¼
41⅞	24⅞	AMR Cp			4	11252	27½	26½	26⅞	+ ½
20⅝	17⅞	AMR	pf2.18	11.		26	19⅝	19⅛	19⅝	− ⅛
41⅞	27½	AMR	pf2.13	7.1		423	30⅛	29½	30	+ ½
25½	23	ANR	pf2.67	12.		3	23⅛	23⅛	23⅛	
16⅞	9	APL			3	21	8⅝	8⅝	8⅝	− ⅛
55⅝	40⅞	ARA	2.10	4.0	11	2217	52⅝	51½	52½	+ ⅛
72½	44⅝	ASA	3a	6.3		736	48	46	47⅝	+ 1½
30⅞	16½	AVX	.32	1.6	13	164	20⅛	19⅛	20	+ 1⅛
53⅝	38⅞	AbtLab	1.20	2.8	14	1711	44	43⅛	43⅝	− ⅛
30⅞	23⅞	AccoWd	.60	2.1	17	73	29	28⅝	29	
27⅞	12½	AcmeC	.40	3.1		721	13	12⅝	12⅝	
12⅞	8½	AcmeE	.32b	3.0	24	6	8½	8½	8½	− ⅛
24⅝	11	AdmDg	.04	.3	8	48	13⅛	12⅞	13⅛	+ ⅛
16⅞	15	AdaEx	2.11e	14.		37	15⅛	15⅛	15⅛	− ⅛
18⅝	12⅞	AdmMl	.28	2.3	13	37	12½	12⅛	12⅛	− ⅛
22	13½	AdvSys	.811	5.5	14	88	15	14⅛	14⅝	− ⅛
18	7⅛	Advest	.12	1.3		47	9⅛	8⅞	9⅛	+ ⅛
37½	25⅛	AMD			17	4972	23⅞	23⅛	23⅞	+ 1
22½	9⅝	Aeroflex			10	28	10⅞	10⅝	10⅝	
38	27⅞	AetnLf	2.64	8.7	18	3176	30⅞	29½	30⅛	+ ⅛
58⅞	54	AetL	pf5.40e	9.9		12	55⅛	55⅛	55⅛	+ ⅛
34½	15⅞	Ahmns	1.20	6.0	5	3133	20½	19⅝	20	− ⅛
7⅛	2⅞	Aileen				49	3	3	3	
51	35½	AirPrd	1	2.4	9	567	42½	40½	42⅛	+ 1⅝
30⅞	13	AirbFrt	.60	4.1	8	332	14⅝	14	14½	+ ½
3⅞	1⅞	AlMoa	s			21	3⅛	3⅛	3⅛	
27⅞	21	AlaP	pf2.15a	9.1		7	23⅝	23⅝	23⅝	− ⅛
32⅞	26⅞	AlaP	pfA3.92	14.		1	28⅛	28⅛	28⅛	+ ⅛
7⅛	6	AlaP	dpf.87	14.		22	6⅝	6⅝	6⅝	− ⅛
73½	61½	AlaP	pf 9	14.		250	63	63	63	+ 1½

Continued on Page 17

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, July 27

Continued on Page 18

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 16

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Nasdaq national market. Closing prices, July 27

[illegible]

Continued on Page 19

CANADA

TORONTO

Closing prices July 27

[illegible]

MONTREAL

Closing prices July 27

[illegible]

FRANCE

1984 High	Low	July 27	Price Frs.
1,999	1,670	Emprunt 4½% 1973	1,712
10,020	9,100	Emprunt 7% 1973	9,170
3,623	3,320	CNE 3%	3,584
579	497	Air Liquide	518
441	375	BIC	621
833	560	Bouygues	565
2,985	2,401	BSN Gervais	2,450
1,558	1,012	CIT Alcatel	1,037
1,915	1,005	Carrefour	1,397
955	774	Club Mediter	863
729	522	CFAO	601
585	427	Cie Bancaire	503
262	209.9	Cofimeg	227
955	770	Darty	925
941	593	Dumez S.A.	687
598	488	Eaux (Cie Gen.)	488
278	179	Elf-Aquitaine	200
695	537	Gen.Occidentale	629
87.4	63.9	I.M.E.T.A.L	74.1
393.5	300	Lafarge-Coppee	307
2,600	2,101	L'Oreal	2,279
2,340	1,773	Legrand	1,850
357	196	Maisons Phenix	205
2,050	1,300	Matra S.A.	1,365
1,084	740	Michelin B	781
1,710	1,372	Midi Cie	1,580
1,672	1,313	Moet Hennessy	1,615
118.5	90	Moulinex	95.9
56.2	43.7	Nord Est	43.7
845	662	Pernod Ricard	772
574	462	Perrier	425.5
313	204.6	Petroles Fra.	231.3
257.8	179.5	Peugeot-SA	196.5
[illegible]	[illegible]	[illegible]	[illegible]

GERMANY

[illegible]

SOUTH AFRICA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

SPAIN

[illegible]

AUSTRALIA

1984 High	Low	July 27	Price Aust. $
5.93	4.47	ANZ Group	4.60
1.80	1.45	Acrow Aust	1.55
0.90	0.50	Alliance Oil D.	0.65
2.11	1.40	Ampol Pet	1.60
1.92	1.65	Aust Cons Ind	1.84
3.10	2.35	Aust Guarant	3.05
2.75	1.90	Aust Nat Inds	2.20
2.45	1.80	Aust Paper	[illegible]
6.40	4.90	Bell Group	4.70
1.62	1.20	Bond Corp Hldgs	1.40
3.65	3.02	Boral	3.49
2.72	1.47	Br'ville Cooper	1.47
3.32	2.50	Brambles Inds	3.09
3.62	2.40	Bridge Oil	2.45
12.16	9.24	BHP	9.70
6.20	4.40	CRA	4.64
4.28	2.96	CSR	3.12
4.56	3.82	Carlton & Utd.	4.50
5.56	4.08	CastlemaineTys.	4.75
4.15	3.30	Coles (G.J.)	3.50
3.22	2.15	Comalco "A"	2.40
1.30	0.41	Consolidated Pet	0.40
1.40	1.10	Costain Aust.	1.35
1.74	1.45	Dunlop Aust.	1.70
6.40	4.25	E.Z. Inds.	6.10
4.85	3.50	Elders IXL	3.82
1.80	1.30	Energy Res.	1.56
2.50	2.05	Gen Prop Trust	2.15
3.95	2.85	Hardie (J.)	3.12
3.5	1.90	Hartogen Energy	2.05
3.60	2.95	HeraldW'y Times	3.60
2.35	1.75	ICI Aust.	2.07
0.38	0.18	Jimb'lana 50cFP	0.25
0.20	0.12	Kiaora Gold	0.12
[illegible]	[illegible]	[illegible]	[illegible]

ITALY

1984 High	Low	July 27	Price Lire
19,750	14,895	Banca Com'le.	17,000
186	108.4	Bastogi IRBS	137
2,500	1,418	Centrale	2,139
5,655	3,841	Credito Varesino	3,910
4,470	3,721	Fiat	4,016
60	27	Finsider	35.76
39,300	32,010	Generali Assicur	33,750
3,485	2,900	Invest	2,915
49,050	40,500	Italcementi	47,350
1,284	1,115	Montedison	1,120
5,357	3,866	Olivetti	5,321
3,315	2,464	Pirelli Co.	2,935
1,844	1,419	Pirelli Spa	1,645
1,699	1,336	Snia BPD	1,559
14,600	10,750	Toro Assic.	10,951
11,510	8,100	do. Pref	8,580

NETHERLANDS

1984 High	Low	July 27	Price Fls
915	153	ACF Holding	159.6
146	107	AEGON	112
236	168.5	Alhold	178
123.2	77	AKZO	81.5
445	202	ABN	299
183	141.9	AMEV	151
82	51.6	AMRO	63
222	167	Bredero Cert	173.5
52	27.5	Bos Kalis Westm.	27.3
75	61	Buehrmann-Tet.	62.5
41.5	33.3	Calland Hldgs	35
70.5	43	Credit Lyon'is BK	44.7
99	73	Elsevier-NDU nv.	84.5
173.6	130.7	Gist.-Brocades	138.5
157	126	Heineken	122.5
60.9	41.6	Hoogovens	43.7
44.8	32.6	Int Mueller	33.5
232.6	148.8	KLM	159.9
48.4	34.1	Naarden	36.4
243.3	196	Nat Ned Cert	204.6
198	133	Ned Cred Bank	40
130	100	Nedlloyd	126
365.5	212	Oce Grinten	229
34.5	24.7	Ommoren (Van)	25.2
77	55	Pakhoed	56.8
50	41.7	Philips	43.1
[illegible]	[illegible]	[illegible]	[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

HONG KONG

1984 High	Low	July 27	Price H.K.$
[illegible]	[illegible]	[illegible]	[illegible]
7.70	5.2	HK Shanghai Bk.	5.6
49	35.5	HK Telephone.	39.5
15.5	8.4	Hutchison Wpa.	9.79
14.3	5.5	Jardine Math.	6.00
4.63	2.25	New World Dev.	2.42
1.87	1.05	Orient O'seas	1.14
4.0	2.75	O'seas Trust Bk.	2.95
8.3	4.15	SHK Props.	4.52
21.0	12.9	Swire Pac A.	13.6
4.3	2.05	Wheel'k Mard A.	2.65
2.3	1.54	Wheel'k Maritime	1.9
2.6	1.40	World Int. Hldgs.	1.60

JAPAN

1984 High	Low	July 28	Price Yen
1,190	920	Ajinomoto	1,150
2,800	1,830	Alps Electric	2,020
1,410	985	Amada	1,090
642	405	Asahi Chem	618
819	605	Asahi Glass	742
653	520	Bridgestone	550
1,610	1,270	Canon	1,350
1,530	1,100	Casio Comp	1,100
1,140	940	Chugai Pharm	985
709	440	Chiyoda	439
737	651	Daiei	660
1,180	865	Dai Nippon Ptg	885
553	435	Daiwa House	500
386	307	Ebara	320
1,380	965	Eisai	995
10,360	7,385	Fanuc	7,930
1,150	300	Fuji Bank	910
2,310	1,650	Fuji Film	1,650
1,030	752	Fujisawa	971
1,390	1,080	Fujitsu	1,200
2,080	1,490	Green Cross	1,530
453	342	Hasegawa	348
694	633	Heiwa Real Est.	534
1,000	780	Hitachi	818
1,930	1,180	Hitachi Credit	1,180
1,260	950	Honda	1,150
899	721	House Food	725
2,350	1,460	Hoya	2,050
347	250	Itoh (C)	281
2,300	1,740	Ito-Yokado	1,800
2,420	1,190	Iwatsu	1,500
404	334	JACCS	349
3,520	2,400	JAL	3,100
934	790	Jusco	840
330	277	Kajima	292
845	660	Kao Soap	732
730	590	Kashiyama	590
625	511	Kirin	530
1,150	890	Kokuyo	900
546	490	Komatsu	468
[illegible]	[illegible]	[illegible]	[illegible]

SINGAPORE

[illegible]

AUSTRIA

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 17

[illegible]

CONSTRUCTION CONTRACTS

Over £15m for Balfour Beatty

BALFOUR BEATTY CONSTRUCTION has won contracts together worth over £15m. The northern division has a £2.5m contract from British Nuclear Fuels for phase 1 of the waste treatment complex at Sellafield. The 21-month project is for a three-storey steel framed process plant faced with brick and metal cladding. Also at Sellafield, in joint venture with Fairclough Civil Engineering, the company will build the foundations for the Thorp Head End and Chemical Separation plant under a £4.3m contract from British Nuclear Fuels. A £1.2m sub-contract for 750 bored piles in diameters from 950mm to 1,800mm will be undertaken by Stent Foundations, a subsidiary of Balfour Beatty Construction. The contract completion date is January 1985. The company has won a £1.4m contract from Tyne and Wear County Council for 1.2 km of single carriage access road to the Greenside Quarries. The work includes building an 84-metre long three-pinned arch bridge. Northumbrian Water Authority has placed an £0.6m order for a sewage pumping station at Lustrum. Work includes a 22.5 metre diameter shaft 11.3 metres deep, and will be completed in 18 months. Balfour Beatty has a £6.8m contract from the Scottish Development Department for the construction of 6.9 km of a dual carriageway road on the A9 between Dalreoch and Burnside. A five-span reinforced concrete bridge crossing the River Earn is included in the six-month contract. The company has a £1.7m contract from Strathclyde Regional Council for 1 km of single-carriage road, footpaths, drainage, services and landscaping. Included is construction of a steel and concrete composite bridge crossing the River Clyde. Balfour Beatty is a BICC group company.

Coast work for Howard

Contracts totalling £8m have been awarded to JOHN HOWARD AND CO. and associate companies. Work worth £1.2m for construction at Ramsgate of two offshore breakwaters to protect the new harbour has been awarded by Port Sally Management, to follow on from the existing design and construct contracts for new berthing facilities. The breakwaters are to be built about 1-2 km offshore from rock imported from the Continent. The contract includes permanent navigation lighting. An additional contract worth £2m has been awarded by CEGB to the Fairclough-Howard Joint Venture for works at Folkestone. This involves mobilisation of specialist plant to work tidally on the foreshore, clearing rock out crops, excavating trenches and laying pipe ducts for the four pairs of cables. At the ammonia/methanol complex, Sitra, Bahrain, Unicon (WII) a Bahrain construction company managed by John Howard and Co. has been awarded a £1.38m contract by Snamprogetti SpA for fabrication and erection of five pipelines each 4.5km long, running partly on land and partly on offshore trestles being constructed by Unicon under a separate contract. The contract includes erection of loading arms and alterations to the existing Bahrain Petroleum Company jetty. At the Mina Sulman dhow quay, Bahrain, a £1.3m contract for the reconstruction of the quay, has been awarded by the Ministry of Works, Power and Water, Government of Bahrain, to Unicon (WII). This involves construction of 375 metres of piled quay wall to the existing old berths and finger pier, together with anchor piles and tie rods.

★

SIR ROBERT McALPINE MANAGEMENT CONTRACTORS has started work on a £1.5m contract to build kennel and training facilities on a one-acre site at Woodford Bridge, Essex, for The Guide Dogs for the Blind. The contract, due for completion in August 1985, covers the construction of a single-storey kennel block in traditional brick, to accommodate up to 100 dogs. The block will be heated, ventilated and will include hospital and quarantine facilities. An existing two-storey brick building will be refurbished for the 24 resident staff and 50 day staff. It will also provide accommodation for blind students attending the centre for dog training.

Lovell wins £14m orders

Companies within the LOVELL GROUP have won contracts worth nearly £14m. Heading the list are housing schemes by Rendell Partnership Developments at Kingston-upon-Thames, Cardiff, Staines, Worthing and Tonbridge. In total, some 312 units are involved with a sales value approaching £8m. At Leatherhead Walter Lilly & Co. has been awarded a £2.3m office development project by Wyndham Investments. Among Lovell Construction (Midland) successes are contracts to fit out the supermarket shell which it has almost completed at Swadlincote, Derbyshire, for International Stores (£440,000) and housing for Bourneville Village Trust (£680,000). Lovell Special Works at Devizes has a £558,000 subcontract at Kennet District Council's offices in Devizes and Lovell Farrow Construction is to refurbish 24 flats for the London Borough of Islington (£295,000). Finally, at Ringwood, F. Rendell & Sons is shortly to start a £1.5m executive housing scheme.

£8m Jubail drainage for Shand

The SHAND GROUP, Matlock, has been awarded a Saudi Riyal 36m (£8m) contract by the Royal Commission for Jubail and Yanbu in Saudi Arabia for the construction of a primary drainage system at Madinat Al-Jubail Al-Sinaiyah. Work is to be completed in under 30 months by Al-Rasheed Shand, a Saudi-British associate company of the Shand Group. In the Al-Mantekah Al-Sakaniyah district of Jubail, the project has to overcome the problems of a low lying site. The contract includes construction of 16.5 km of 1 metre deep drainage channels formed with rock armoured sides and reinforced invert between 1 and 3 metres wide, outfall structures and 45 km of box culverts. Secondary box culverts, tertiary pipe connections and concrete pipe sleeves for services are also included.

★

Eighty-four houses on the Portslade Housing Estate are being modernised by CORRALL CONSTRUCTION, on a design and management contract worth about £820,000. Hove Borough Council has asked Corrall to begin design work on the next phase of 100 houses.

Wimpenny Project Management, Huddersfield, has been appointed by British Gas to undertake the design, management and construction of the new NEGAS Combined Service Centre at Bradford. This £1.6m scheme is the fourth such award to Wimpenny which is currently building the Halifax Service Centre and has completed similar schemes for NEGAS at Huddersfield and Pontefract. The Project will be completed in 15 months

OVER-THE-COUNTER

Stock	Sales	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O–O

P–Q

R–R

S

T–T

U–U

V–V

W–W

X–Y–Z

Indices

NEW YORK — DOW JONES

	July 27	July 26	July 25	July 24	July 23	1984 High	1984 Low	Since Compil'n High	Since Compil'n Low
●Industr'ls	1114.62	1107.65	1098.85	1096.57	1096.82	1286.64 (6/1)	1086.57 (24/7)	1287.2 (19/11/83)	41.22 (2/7/32)
H'me Bnds	66.24	66.02	65.77	65.49	65.26	71.73 (5/2)	64.81 (25/5)	—	—
Transport	466.60	456.83	444.03	445.16	447.33	612.63 (9/1)	404.05 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	124.33	124.23	123.99	123.60	124.26	164.86 (6/1)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	101,360	90,410	90,530	74,370	77,890	—	—	—	—

●Day's high 1124.23 (1113.16) low 1101.69 (1093.43)

	July 20	July 13	July 6	Year ago (approx)
Industrial div. yield %	6.14	6.10	6.04	4.50

STANDARD AND POORS

	July 27	July 26	July 25	July 24	July 23	1984 High	1984 Low	Since Compt'n High	Since Compt'n Low
Industr'ls	171.48	170.28	168.68	167.74	168.16	190.84 (6/1)	167.74 (24/7)	194.84 (10/10/83)	3.62 (30/6/32)
Comp'site	151.19	150.08	148.65	147.82	148.95	169.28 (6/1)	147.82 (24/7)	172.15 (10/10/83)	4.40 (1/6/32)

	July 18	July 11	July 3	Year ago (approx.)
Industrial div. yield %	4.86	4.22	4.22	3.84
Industrial P/E ratio	10.71	10.65	10.91	14.73
Long Gov. Bond yield	13.12	13.31	13.62	11.24

N.Y.S.E. ALL COMMON

July 27	July 26	July 25	July 24	1984 High	1984 Low
87.01	85.34	85.64	85.13	97.71 (6/1)	85.13 (24/7)

Rises and Falls

	July 27	July 26	July 23
Issues Traded	2,155	1,945	1,943
Rises	1,058	974	793
Falls	603	636	726
Unchanged	594	435	424
New Highs	13	9	5
New Lows	102	105	193

TORONTO

	July 27	July 26	July 25	July 24	1984 High	1984 Low
Metals & Minls.	1703.4	1688.3	1641.2	1652.8	2524.4 (12/1)	1641.3 (25/7)
Composite	2148.9	2128.0	2085.4	2075.7	2585.7 (8/1)	2079.7 (24/7)
MONTREAL Portfolio	105.09	103.52	101.66	100.58	127.03 (19/1)	100.36 (24/7)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Cont. Illinois.	4,901,500	4½	+⅞
Ford Motor	1,509,300	38¾	+⅞
Atl. Richfield.	1,471,200	41⅞	−1
Alcan Alum.	1,303,000	25	—
General Mtrs.	1,253,300	63⅞	+1⅛
Mesa Trust	1,199,000	2⅞	−⅛
AMR Corp.	1,125,700	26⅞	+⅛
ATT	1,086,400	17⅞	−⅛
Std. Oil Ohio	1,085,600	45⅞	+⅛
IBM	1,059,300	109	+⅛

APPOINTMENTS

Deputy MDs of Vickers

VICKERS has appointed two existing directors, Mr Ronald O. Taylor and Mr W. Michael Windsor, as deputy managing directors. Mr Taylor joined the group in 1983 and is non-executive chairman of Rolls-Royce Motors. Mr Windsor is chief executive of Vickers engineering products group.

★

Mr Graham Campbell has been appointed director and general manager of CARSON OFFICE FURNITURE, part of the Acco Europe division. He has been works director at the Basildon factory of Carson Office Furniture for the past five years.

★

INTEROIL DEVELOPMENT CORPORATION has appointed Mr Bev C. Atkins as director from August 6 with special responsibility for crude oil supply and marketing. He was manager of the crude oil department, Tampimex Oil (UK). From 1979-83 he was with Coastal States Petroleum (UK) latterly as managing director and crude oil director.

★

HANDLEY-WALKER COMPANY, Birmingham, has appointed Mr John Chester as regional director of operations for the south.

★

The AMERICAN BANKS ASSOCIATION of London has nominated Mr Alfred M. Vinton, Jr., as chairman from August 1, succeeding Mr Trevor Robinson, of Manufacturers Hanover Trust. Mr Vinton is senior vice president and general manager of Morgan Guaranty Trust Company of New York, with responsibility for the UK, Eire and Scandinavia.

★

Mr Roger Jebb, of Lloyds Bank, has been appointed director of the SHROPSHIRE ENTERPRISE TRUST on a two-year secondment. He succeeds Mr Brin Williams, of National Westminster Bank, who has seen the Trust through its first two years of development.

★

Mr Jaroslav Petr has been appointed managing director of SKODA (GREAT BRITAIN) in succession to Mr Jiri Majstr who has returned to Czechoslovakia. The group includes Skoda cars, Zetor tractors and equipment, Jawa/CZ motorcycles and Barum tyres.

★

Three non-executive members have joined the board of NATIONAL GIROBANK, Scotland. They are: Mr Kenneth J. Peters, Aberdeen, a director of Thomson North Sea, a board member of British Rail, Scotland, and a member of the North East Committee of Scottish Council (Development and Industry); Mr Alastair Rolland, Glasgow, a partner in Thornton Baker and line Building Society; and Mr George Sharp, chairman of Glenrothes Development Corp, and a director of Grampian Television.

★

DELOITTE HASKINS AND SELLS has appointed a new partner to take charge of the insolvency department in Reading. Mr Philip Porter is returning to take up the post from Hong Kong, where he has been involved in one of the world's largest liquidations, the Eda Group of property companies.

★

GEORGE BARKER AND CO (LEEDS) has appointed Mr Bryan Gerrard as general managing director. He was production director.

★

Mr J. Michael Barnes has been appointed an assistant director of BAII and a director of BAII London with responsibility for the development of trade and commodity finance activities. BAII is a member of the Banque Arabe et Internationale d'Investissement Group.

★

Mr Philip Court has been appointed to the board of TELFORD DEVELOPMENT CORP from August 1. He is chief general manager of Midshires Building Society.

★

Mr Dennis Docherty has been appointed marketing director of CONVERTEC INTERNATIONAL, part of the A. J. Gooding Group. He was previously sales and marketing manager of commercial plastics, part of Nairn International, Unilever Plastics Division.

★

Mr Peter Jameson has been appointed manager of Black Horse Agencies, wholly-owned estate agent subsidiary of LLOYDS BANK. He succeeds Mr John Hutchinson who has been promoted general manager's assistant in the branch banking division. Mr Jameson was a manager in the business development department.

★

Mr Phil Stapleton has been appointed vice president—systems engineering for NATIONAL ADVANCED SYSTEMS (EUROPE) CORP, Isleworth. He replaces Mr Tom Frana, who has been promoted to vice president and general manager for the Asia/Pacific region, headquartered in Sydney, Australia. Mr Stapleton was vice president and director of business development. National Advanced Systems is a wholly owned subsidiary of National Semiconductor Corp.

★

Mr Derek Coulson has left Rolls Royce to become managing director of PECO INDUSTRIAL SILENCERS, from August 1. Peco, with associate company Maxim, are part of the Vernon Engineering Group.

★

HENLYS has appointed Mr Peter Hughes, managing partner of Annan Impey Morrish, as a director. He was formerly finance director of Newman Industries.

★

Mr J. D. Birkin has been appointed a non-executive director of GEORGE WIMPEY from August 1. He is deputy chief executive of The Rio Tinto-Zinc Corp.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

[illegible]

DIVIDEND & INTEREST PAYMENTS—

[illegible]

TOMORROW

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

[illegible]

DIVIDEND & INTEREST PAYMENTS—

[illegible]

WEDNESDAY AUGUST 1

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

[illegible]

DIVIDEND & INTEREST PAYMENTS—

[illegible]

THURSDAY AUGUST 2

COMPANY MEETINGS—

[illegible]

Bulmer and Lumb, Victoria Hotel, Bridge Street, Bradford, 3.00

Brown (N) Invs, Midland Hotel, Peter Street, Manchester, 2.30

Feedback, Crest Hotel, Beacon Road, Crowborough, East Sussex, 12.00

Hazlewood Foods, Empire Works, Rowditch, Derby, 12.00

New Throgmorton Tst (1983), Royal London House, 22-25, Finsbury Square, EC, 12.30

Petbow, Richborough Works, Sandwich, Kent, 12.00

BOARD MEETINGS—

[illegible]

FRIDAY AUGUST 3

COMPANY MEETINGS—

[illegible]

BOARD MEETINGS—

[illegible]

DIVIDEND & INTEREST PAYMENTS—

[illegible]

Killinghall (Rubber) 3p

Mingle Witwatersrand (Western Areas) [illegible]

New Throgmorton Tst. (1983) 1.75p

Peuler-Hattersley 8.5p

Property Partnerships 4p

Tesco 2.6p

Thermal Syndicate 1.5p

SUNDAY AUGUST 5

DIVIDEND & INTEREST PAYMENTS—

Scottish Northern Inv. Tst. 4½pcPf 1.0625p

This week in Parliament

TODAY

Commons: Consideration of Lords amendments in the Local Government (Interim Provisions) Bill.

Lords: Capital Transfer Tax Bill, consideration of Commons amendments. Parliamentary Pension etc Bill, Third Reading. Co-operative Development Agency and Industrial Development Bill, Committee. Insolvency Proceedings (Increase of Monetary Limits) Regulations 1984, Motion for approval. Unstarred question on the Government's civil aviation competition policy in the light of the recommendations of the Civil Aviation Authority's report.

TOMORROW

Commons: Opposition debate on a motion termed "The shambles of the Government's economic, employment and industrial policies."

Lords: Police and Criminal Evidence Bill, Report. Weights and Measures Act 1963 (Miscellaneous Foods) Order 1984, Motion for approval. Motions for approval on the Weights and Measures Act 1963 (Cheese, Fish, Fresh Fruits and Vegetables, Meat and Poultry) Order 1984, Weights and Measures Act 1963 (Intoxicating Liquor) Order 1984, and the Cosmetic Products (Safety) Regulations 1984. Statutory Instruments Committee — Subjects: Control of Pollution (Territorial Sea) Regulations 1984. Witness: Department of the Environment; Control of Pollution (Territorial Sea) (Scotland) Regulations 1984. Witness: Scottish Office (Room 4, 4.15 pm)

WEDNESDAY

Commons: The House will meet at 9.30 am, take questions until 10.30 am and adjourn at 3.30 pm until Monday October 22nd 1984.

Lords: Debate on a Motion calling attention to the lack of confidence in sterling, to levels of industrial production, to the state of the nation's infrastructure, and to the need to improve living standards and restore a stable society. Then the House will adjourn for the summer recess.

INSURANCE

Audit reform given priority at Lloyd's

BY JOHN MOORE, CITY CORRESPONDENT

AUTHORITIES of the Lloyd's of London insurance market are trying to reform auditing and accounting practices within the Lloyd's community.

A consultative document on the audit arrangements of the accounts of Lloyd's insurance syndicates—the units into which the 23,438 members of Lloyd's are grouped—was made public last week.

So far changes have been confined to detailed accounting procedures relating to disclosure requirements. This latest move represents a first attempt to deal with the structure of auditing within Lloyd's and an attempt to bring it into line with accounting practice elsewhere.

The document observes: "There has in the past been some confusion over the use of the term 'audit' in the Lloyd's market. This was due in part to the lack of requirement and/or standards relating to 'syndicate accounts' and the audit thereof. Instead, the term 'Lloyd's audit' has been applied to the procedures carried out by firms of accountants in connection with the annual solvency test for Lloyd's underwriting members."

In other words the auditing of syndicate accounts represented a low priority within the Lloyd's market. No mandatory requirements were laid down until earlier this year on the information which should be reported to the underwriting members in accounts. Syndicate audits are not subject to any rules analagous to those for a limited company.

Moreover, the whole of the auditing structure at Lloyd's is riddled with conflicting interests. The syndicate auditors are appointed by the managing agency company responsible for running the syndicate. Those auditors will often be the same firm which audits the managing agency company itself. The same auditors may also be the firm which furnishes the statutory audit certificate for underwriting members whose affairs are managed by the agency company.

Certificates have to be provided for the members of Lloyd's, whose wealth supports the functioning of the market, showing that their available assets are sufficient to meet their insurance liabilities.

About 15 firms of chartered accountants are members of an exclusive panel of Lloyd's auditors entitled to carry out the market's audits. In reality within that number about half a dozen have a monopoly of the audit work of the Llody's market.

To remove some of the conflicting interests the consultative document suggests that a syndicate auditors shall not act as auditor for a syndicate where "a partner or employee of the auditor, has a financial involvement in the syndicate, is responsible for mainting all or any of the accounting records of the syndicate, or acts as auditor of the managing agent of the syndicate.

There has been an important compromise. Firms of accountants with access to the Lloyd's market can derive up to 100 per cent of their fee income from their work at Lloyd's. The accounting professions' ethical guide in fee consultation is that no more than 15 per cent of fees should come from one source. The accountants say that while their total Lloyd's business may represent 15 per cent in the aggregate it is less if the clients are assessed on an individual basis.

Lloyd's has accepted this argument and instead is urging that the 15 per cent limitation should be applied to fees receivable in respect of syndicates managed by one managing agent, plus fees receivable in respect of syndicates managed by any connecting managing agent.

There have been other compromises: for instance, while the consultative document has set itself the objective of bringing into line audit practices within Lloyd's with the rest of the business community, it rejects one of the central concepts in the appointments of auditors. Underwriting members of Lloyd's are compared with shareholders of companies, yet they are denied a right available to shareholders. Underwriting agents do not hold annual general meetings for their members, and therefore it is not possible for underwriting members to vote on the appointment or approval of auditors.

The Accounting And Auditing Standards Committee, which prepared the consultative document, has rejected the idea that auditors should be appointed by underwriting members. It argues that there are practical difficulties gathering an international membership together for a general meeting, and that there are complexities in organising a voting structure for syndicates in which members have different sizes of investment in various underwriting accounts which remain open for three years, so underwriting agents should therefore appoint the auditors.

Boost for nature conservation funds

THE Nature Conservancy Council is to receive a £2.55m boost from the Government this year, Mr William Waldegrave, junior Environment Minister, told the Commons.

He also announced plans for a body to watch over conservation in the Norfolk Broads.

Mr Waldegrave backed in principle the Countryside Commission's proposal for a statutory body to replace the Broads Authority. But until this could be set up through a private Bill, Countryside Commission grants would continue to the authority.

FT UNIT TRUST INFORMATION SERVICE

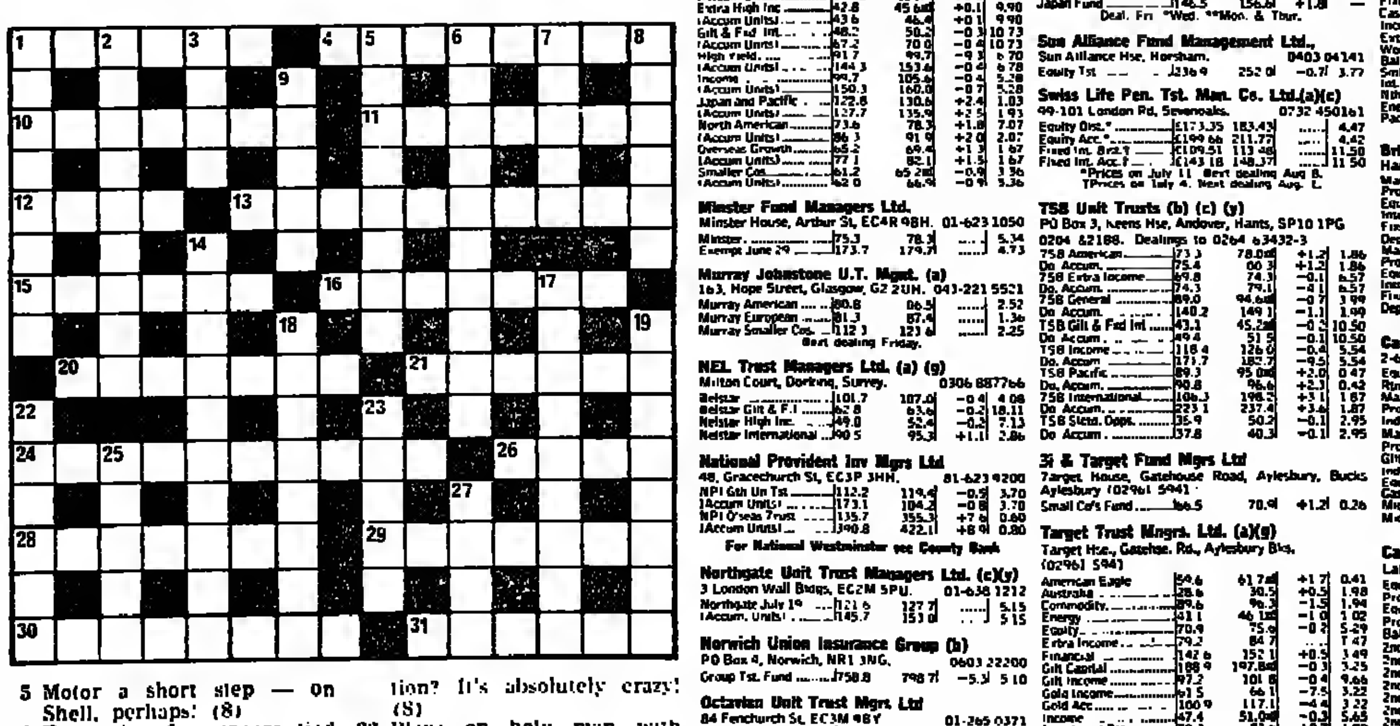
AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

F.T. CROSSWORD PUZZLE No. 5,478



CLUES ACROSS

1 No cooker necessary for the fruit . . . (6)
4 . . . that is cooked Eastern style to a point, then scuttled (8)
10 Is in France — a number round are in holiday mood (7)
11 Red and sore about the screen (7)
12 Nectar never contained fresh water (4)
13 Songs around a hollow have saved lives when vessels capsize (3, 7)
15 Ample evidence that young Albert is about to attack like a bull (6)
16 She performs correct flair perhaps (7)
20 Remarkably cutting BL vehicle's tail off to fit into small volume (7)
21 Always in the engineers you find respect (6)
24 Frightened that a mistake is within Edward's reduced orbit (10)
26 Nasty eye constituent (4)
28 Sustain beneath a parting (7)
29 One company in part exchange for fruit (7)
30 Those who fire foghorn on board? (8)
31 Long speech about chromium plant (6)

CLUES DOWN

1 16 when out of sight (3, 5)
2 Make us a lariat down under (9)
3 Bearing that sounds like an open and shut case (4)
5 Motor a short step — on Shell, perhaps! (8)
6 Two units of engineers, tied up made another tape (10)
7 Furnish in what is owed (5)
8 Anything falling into this is finished (6)
9 Dwelt up where you grill spicily (5)
14 The actor's art I make noble (10)
17 Place sect around the show (9)
18 Short trip — in the Morris perhaps (4-4)
19 Act about men at a T-junction? It's absolutely crazy! (8)
22 Plays on holy man with spirits following him (6)
23 Exclude a graduate in colour reversal (5)
25 Compose an ode or something to an exhibition of mounted skills (5)
27 By degrees was his alternative (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sec A	23.8	25.1	...	—
Blue Chip	18.7	19.7	-0.1	—
Fixed Yield	17.8	18.8	...	—
Guaranteed Mny	15.4	16.3	...	—
Managed	17.0	17.9	-0.3	—
International	22.3	23.5	-0.4	—
Property	14.7	15.5	-0.1	—
Pacific	16.4	17.3	-1.2	—
Equity	13.5	14.3	+0.1	—
Special Sits	19.0	20.1	-0.6	—
Int Currency	13.2	13.9	-0.2	—
Index Linked Secs	10.4	11.0	-0.1	—
American	16.5	17.4	-0.2	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	13.49	14.17	...	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

Multi Gwth July 6	£2.69143		...	—
Multi Gwth 'A' July 8	248.8	261.1	...	—
Op 6 Prop July 26	251.9	265.2	...	—
Op 8 Equity July 27	292.2	307.6	+1.2	—
Op 8 Hy July 26	250.8	263.8	...	—
Op 8 Man July 26	305.6	321.2	...	—
Op 8 Dep July 27	194.4	204.7	...	12.11
Do 8 Int Bond July 26	160.6	169.1	...	—
Op 0 Inc Dist July 26	130.0	136.9	...	8.90
Do 8 Int Man July 26	166.6	175.4	...	—
Do 8 US$ July 26	138.8	146.2	...	12.12
Pens 0 Pr Ac July 15	318.4	335.3	+4.2	—
Pens B Eq Ac July 15	787.2	828.7	...	—
Pens B FI Ac July 15	359.5	378.5	-7.2	—
Pens B Md Ac July 15	505.9	532.6	-16.9	—
Pens B Dp Ac July 15	303.0	319.0	+2.7	—
PensBGart Glob July 15	891.0	938.0	...	—
Pens B Gart NA July 15	974.0	1026.0	...	—
PensBGart Pac July 15	862.0	908.0	...	—

For Pensions Capital Units please ring extension 519.

Britannia Funds—Series A

Am Smllr Cos July 25	115.4	121.5	...	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	166.9	175.7	...	—
UK Equity	171.3	180.4	-0.6	—
Overseas Eq.	160.0	168.5	+3.4	—
American	164.4	173.1	+2.9	—
Far East	193.4	203.6	+3.2	—
Property	109.6	115.4	...	—
Fixed Int.	146.0	134.6	-0.7	—
Indexed Gilt	94.0	99.0	...	—
Deposit	110.7	116.6	...	—

Pension Fund Prices

Man Initial	163.8	172.5	-0.4	—
Man Acc	179.5	189.0	-0.5	—
UK Eq. Initial	160.1	168.6	-1.2	—
UK Eq.	173.1	182.3	-1.3	—
Overseas Eq. Initial	180.5	190.1	+3.2	—
Overseas Eq.	204.2	215.0	+3.8	—
American Initial	174.7	183.9	+3.3	—
American	189.5	199.5	+3.6	—
Far East Initial	192.3	202.5	+3.9	—
Far East	209.0	220.1	+4.3	—
Prop. Initial	104.8	110.4	...	—
Prop	111.8	119.8	+0.1	—
Fixed Int. Initial	129.7	136.6	-0.4	—
Fixed Int.	140.0	107.8	-0.4	—
Indexed Gilt Initial	89.3	44.0	...	—
Indexed Gilt	96.9	102.0	...	—
Deposit Initial	109.3	115.1	+0.1	—
Deposit	118.9	125.2	...	—

NPI Pensions Management Ltd.

Managed Fund	454.3	471.0	...	—

Prices June 29. Next dealing Augst 1.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	119.0	125.8	...	—
UK Equity	138.0	145.2	+1.1	—
American	223.1	234.9	+2.3	—
Pacific	311.0	330.3	+3.1	—
Property	148.5	156.3	...	—
Gilt	168.7	177.6	+1.3	—
High Inc. Equity	129.7	136.5	+2.0	—
High Inc. Fxd. Int.	96.7	101.8	-0.7	—
Deposit	146.2	151.9	...	—
Index-Linked Gilt	97.6	102.8	...	—

Save & Prosper Group
4, Gt St Helens, London EC3P 3EP 0708-66966

Global Equity Fund	[illegible]	81.3	+0.9	—
Bal. Inv. Fd.	251.8	266.5	...	—
Property Fd.*	278.6	[illegible]	...	—
Gilt Fd.	[illegible]	[illegible]	...	—
Deposit Fd.†	[illegible]	[illegible]	...	—
Man. Pens. Fd.†	491.7	520.4	...	—
Equity Pens. Fd.	492.0	520.7	...	—
Prop. Pens. Fd.*	624.0	660.4	...	—
A. G. Bond Fund	64.1	[illegible]	...	—
Dep Pen Fd†	198.7	[illegible]	...	—
Gilt Pens. Fd.	[illegible]	[illegible]	...	—
Global Eq Pens Fd	[illegible]	[illegible]	...	—

*Prices on July 25. †Weekly dealings.

Schroder Life Assurance Ltd.
Enterprise House, Portsmouth 0705 827733

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks.

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM 0624 25015

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Money Market Trust Funds

Mallinhall Ltd

The Money Market Trust

Oppenheimer Money Management Ltd

Money Market Bank Accounts

Aitken Hume

Bank of Scotland

Barclays Prime Account

Britannia Grp of Investment Companies

Charterhouse Japhet plc

[illegible]

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Oct	Apr	Marley	69	12.3	3.2	2.1	6.6	9.7
Feb.	Oct	Marling Ind. 10p	53	16.7	1.3	♦	3.5	♦
Dec	June	Marshall Cav. 'A'	31	30.4	1.2	3.0	5.5	[illegible]
Jan.	July	Marshall's Univ	48	1.82	♦H1.75		5.2	14.4
Nov	May	Martin-Black	22	5.74				
—		Mathesons 7¾%	£98	30.6	07¾%	2.1	18.2	
Jan	June	Metal Box £1	306	18.6	15.0	3.0	10	5.2
Nov	June	Metal Closures	156	[illegible]	6.3	2.3	5.8	8.6
—		Metal Sciences 2½p	15	—	—	—	—	
April	Dec.	Metamec Jentique	10	[illegible]	0.01	—	—	—
July	Jan.	Midland Marts	88	14.5	4.0	1.8	6.5	11.1
Jan	May	Mitchell Cotts	50	[illegible]	3.62	1.0	8.9	[illegible]
July	Dec	Moben Grp 1p	13	9.4	0.5	2.5	5.5	8.2
Jan.	July	Morgan Crucible	146	30.4	7.5	1.2	7.3	[illegible]
May		Morris (W) Fine Arts	15½	—	bg0.25	4.0	2.3	14.2
Jan.	Aug	Moss (Robt.) 10p	86	4.6	7.5	2.9	4.2	10.4
May	Nov	MW Computers	300	9.4	6.0	3.0	2.9	16.7
Mar.	Sept	Nash Inds	48	16.1	4.0	2.2	12.3	5.4
Oct.	April	Neil&Sp'ncer 10p	30	1.81	—	—	—	12.9
Jan	July	Newman Indusls.	17	[illegible]	—	—	—	[illegible]
—		Do. 10pc Cnv. Cnv. Pf.	18	10.6	10%	—	7.9	—
April	Oct	Notion	51	[illegible]	1.0	2.9	2.8	17.9
Jan.	Aug.	Norcros	132	16.7	1.5	2.4	8.1	7.0
Oct.	April	Nu-Swift 5p	63	5.9	—	—	—	22.3
Feb.	Aug.	Oakwood Grp.	55	30.1	$d0.5	—	‡	—
Jan.	June	Office & Elect	163	4.6	7.5	2.8	6.6	7.3
May	Nov	Oriflame Intl SA	800	26.3	Q53c	2.2	4.5	10.0
Jan.	June	Ovenstone 12½c	31	24.11	Q4.5c	2.2	7.7	5.9
May	Nov	Oxford Fin. Cv.	£122	9.4	Q9%	—	17.5	—
—		PCT Grp 10p	160	4.6	bg4.8	♦	4.2	♦

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
		Central African					
Jan	June	Falcon Z$0c	150	[illegible]	G100c	♦	17.1
Nov	May	Wankie Col. Z$1	12½	[illegible]	—	—	—
October		Zam Cpr SBD0.24	14½	[illegible]	—	—	—
		Australians					
—		ACM 50c	25	—	—	—	—
—		[illegible]	21	—	—	—	—
—		[illegible] Oil & Minerals	4½	—	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	80	.....	Fin. 13% 97/02	£92¾	.....
Craig & Rose £1	800	.	Alliance Gas	63	..
Finlay Pkg 5p	43	....	Arnott	200	....
Higsons Brew.	83	..	CPI Hldgs.	85	...
Holt (Jos) 25p	890	....	Carroll Inds.	101	..
IoM Stm £1	112	−3	Hall (R. & H.)	46	..
			Heiton Hldgs.	18	−1
IRISH			Irish Ropes	37	.
			Jacob (W.& R.)	62½	.
Exch. 12% 1985	£98½	...	TMG	50	..
Nat. 9¾% 84/89	£84½	..	Unidare	80	....

OPTIONS — 3-month call rates

Industrials		Hawker Sidd	38	Vickers	14
Allied-Lyons	15	Hse of Fraser	26	Woolworth Hldg	50
BOC Grp	27	ICI	42		
BSR	26	"Imps"	12	**Property**	
Babcock	17	ICL	7½	Brit Land	11
Barclays Bank	45	Ladbroke	23	Cap Counties	16
Beecham	32	Legal & Gen	45	Land Secs	25
Blue Circle	40	Lex Service	40	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
Bowaters	25	"Lofs"	3	Samuel Props.	12
Brit Aerospace	20	Lucas Inds	18	Sterling Guar	4
BAT	15	"Mams"	14		
Brown (J)	3	Marks & Spcr	20	**Oils**	
Burton Ord	22	Midland Bk	36	Brit. Oil & Min.	9
Cadburys	11	NEI	10	Brit Petroleum	35
Comm Union	16	Nat West Bk	60	Burmah Oil	27
Courtaulds	11	P & O Dfd	25	Charterhall	9
Debenhams	14	Plessey	20	Premier	6
Distillers	22	Racal Elect	10	Shell	55
Dunlop	5	RHM	0	Tricentrol	20
FNFC	6¼	Rank Org Ord	24	Ultramar	60
Gen Accident	42	Reed Intnl	40		
Gen Electric	16	Sears	0	**Mines**	
Glaxo	70	TI	22	Charter Cons.	24
Grand Met	30	Tesco	16	Cons Gold	58
GUS 'A'	55	Thorn EMI	55	Lonrho	12
Guardian	50	Trust Houses	10	Rio T Zinc	60
GKN	20	Turner Newall	10		
Hanson Tst	17	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 12

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Open to any interpretation

BY COLIN MILLHAM

Nothing seems able to depress the dollar for very long at the moment. There was plenty of conflicting information last week, but the general impression created was of a market able to interpret any event any way it wanted.

Monday's figure on U.S. second quarter gross national product was very impressive, showing a rise of 7.5 per cent, compared with the earlier flash estimate of 5.7 per cent, and an anticipated upward adjustment to about 6.5 per cent. The other major factor supporting the dollar was the high level of Federal funds, which traded at around 11 7/16 per cent on Friday, compared with 11 per cent a week earlier.

Other events looked distinctly bearish for the U.S. curency, but in the end the market still chose to believe that the U.S. economy is growing at a very fast pace and that interest rates will remain firm.

After the GNP figure traders were particularly surprised by June U.S. durable goods orders, which fell 3.2 per cent, compared with expectations of a rise of around 1 to 2 per cent.

At the same time the rise of only 0.2 per cent in June consumer prices was hardly a sign of any worry on the inflation front.

The dollar started to fall, and this movement was given greater impetus on Wednesday by the testimony before the Senate Banking Committee of Mr Paul Volcker, chairman of the Federal Reserve Board. His various comments, including information that the last Federal Open Market Committee meeting earlier this month had not tightened monetary policy looked damaging to the dollar.

But this was not what the market wanted to hear. It was prepared to dismiss the durable goods figure as unreliable, and to interpret Mr Volcker's words as meaning that at least U.S. rates might rise slightly in the coming months.

The dollar started to rise again sharply, leaving sterling floundering in a sea of lower world oil prices, and most other major currencies either at record lows or the lowest for many years.

£ in New York

	July 27	Prev. close
Spot	$1.3140-0150	$1.3165-0175
1 month	0.13-0.10 pm	0.10-0.08 pm
3 months	0.17-0.13 pm	0.07-0.03 pm
12 months	0.65-0.75 dis	1.35-1.43 dis

THE POUND SPOT AND FORWARD

July 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3090-1.3200	1.3110-1.3120	0.18-0.13c pm	1.42	0.18-0.13 pm	0.47
Canada	1.7225-1.7280	1.7225-1.7235	.08c pm-.05 dis	0.10	0.18-0.32dis	−0.58
Nethlnd.	4.24½-4.27¾	4.25½-4.26½	2½-2c pm	0.16	0½-5¾ pm	5.52
Belgium	75.90-76.45	76.30-76.40	10-2c pm	0.94	16-5 pm	0.52
Denmark	13.72-13.80½	16.72-16.73	2.45-1.25om pm	1.61	8.65-2.40 pm	0.86
Ireland	1.2240-1.2316	1.2290-1.2300	0.11p pm-0.05 dis	0.29	0.13-0.41dis	−0.88
W. Ger.	6.76-3.76	3.779-3.789	2¼-2pl pm	6.74	6-5¾ pm	0.14

FORWARD RATES AGAINST STERLING

	Spot	1 month	6 month	0 month	12 month
Dollar	1.3115	1.3100	1.3180	1.3118	1.3190
D-Mark	8.7840	3.7697	3.7416	3.7017	3.6255
French Franc	11.5975	11.5990	11.6050	11.6300	11.6675
Swiss Franc	3.2225	3.2096	3.1816	3.1398	3.5050
Japanese Yen	321.5	320.42	312.22	313.27	304.76

BANK OF ENGLAND TREASURY BILL TENDER

	July 27	July 20		July 27	July 20
Bills on offer	£100m	£100m	Top Accepted rate of discount	11.4313%	11.3511%
Total of applications	£405m	£616.85m	Average rate of discount	11.350%	11.3381%
Total allocated	£100m	£100m	Average yield	11.70%	11.67%

OTHER CURRENCIES

THE DOLLAR SPOT AND FORWARD

EMS EUROPEAN CURRENCY UNIT RATES

CURRENCY MOVEMENTS

CURRENCY RATES

EXCHANGE CROSS RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

... per cent; six months 12¼-12⅜ per cent; one year 12⅜-12⅞ per cent. Long-term Eurodollars: two years 13½-13¾ per cent; three years 13⅝-13⅞ per cent; four years 13¾-14 per cent; five years 13¾-14 per cent nominal closing rate. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

LONDON

CHICAGO

WEEKLY CHANGE IN WORLD INTEREST RATES

MONEY MARKETS

No wish for higher rates

Interest rates on the London money market did not react too badly to the sudden fall of sterling on Friday morning. There was a reasonable level of optimism that with London rates offering roughly the same return as in New York the present structure could hold.

The D-mark, Swiss franc and Japanese yen are all suffering from the large differential between interest rates in the U.S. and Frankfurt, Zurich and Tokyo, but with London rates at around 12 per cent it is more a matter of economic worries rather than uncompetitive interest rates hurting the pound.

Swiss banks recently raised customer time deposit rates, and there was a rumour in Tokyo last week that the Japanese Government was thinking of measures to prevent an outflow of capital into high yielding investments overseas. Any really tough restrictions seem unlikely however, given the amount of criticism these would cause.

There have also been various suggestions in recent weeks that the Bundesbank might push up its Lombard rate following the increase in the discount rate at the end of June.

But none of the Governments of the major Western economies wish to raise interest rates and choke off the relatively pedestrian rates of economic growth expected this year.

Latest quarterly figures on gross national or domestic product for the European economies show growth rates far below the recent GNP second quarter statistic of 7.5 per cent for the U.S. published Monday. The present level of money supply growth has also led some economists to believe that U.S. inflation, which appears well under control at 4.2 per cent at the moment, will be back into double figures by the end of next year.

Fear of inflationary pressure from fast economic growth is behind the high level of U.S. interest rates. Mr Volcker's comments about a slow down in the second half, and that higher interest rates would not be appropriate at present came as a relief. This helped to reassure London about the level of UK rates, and reinforced the feeling that the problems of the miner's strike and lower oil prices were the major obstacles to a firmer base for sterling.

MONEY RATES

July 27	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	6.50-5.55	11⅛	20¾-25¼	5⅝-5¾	6.15625	16¼-16⅝	11.50	12 -12¼
One month	6.75-6.90	11⅛-11½	5-6⅛	6 5/16-6 7/16	6.21875	16¼-16⅝	11 7/16-11½	16½-16¾
Two months	6.85-6.00	11 11/16-11 13/16	—	—	—	—	—	16⅞-16⅛
Three months	6.95-6.10	11⅝-11¾	4 15/16-5 1/16	6 7/16-6 9/16	6.34375	16⅞-17	11½-11¾	13¼-13½
Six months	6.25-6.45	11 15/16-12 1/16	—	6 9/16-6 11/16	—	—	11⅝-11⅞	16⅝-16⅞
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11¼	—	6¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

July 27 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits
Overnight	—	7-12⅛	18-12⅜
2 days notice	—	—	16¼-12⅝
7 days or	—	—	—
7 days notice	—	18⅛-12⅛	12¼-12⅝
One month	12 3/16-12 1/16	18 3/16-12⅝	12¼
Two months	12¼-16⅛	12 3/16-16 3/16	12⅛
Three months	19 1/16-11 15/16	12⅛-12¼	12⅛
Six months	11 15/16-11 7/8	11 15/16-12⅛	12
Nine months	11 7/8-11 7/8	11⅞-12	—
One year	11 7/8-11 7/8	11⅞-12	12

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits
One month	16¾-12⅜	—	12¾
Two months	12⅝-12¼	—	12¾
Three months	12⅛-18⅛	—	18⅛
Six months	11⅞-11⅞	—	12⅝
Nine months	12⅛-11¾	—	12⅛
One year	12⅛-11¾	—	12⅞

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. July 27)

3 months U.S. dollars

bid 11 5/8	offer 11 3/4

6 months U.S. dollars

bid 18 1/8	offer 12 1/4

MONEY RATES

NEW YORK (4 pm)